White House Office of Records Management (WHORM) Subject File Documents:

White House Office of Records Management (WHORM) Alphabetical File Documents

Carroll, Patrick - Case Number 358409

Charne, James - Case Number 258155

Charne, James - Case Number 267298

Nicholl, John P. - Case Number 266584

Nichols, James R. - Case Number 346057

Tilley, Mr. Rice M. - Case Number 343869

White House Staff and Office Files - Karl Jackson Files (NSC)

Folder Title - Taiwan-1989

Letter from Richard V. Allen, Re: Visit to Taiwan Memo to Brent Scowcroft, Re: Taiwan guidelines

Memo with attachments, Re: U.S.-Taiwan economic cooperation

White House Staff and Office Files - Karl Jackson Files (NSC)

Folder Title - Taiwan-1990

Re: Arms sales to Taiwan

Re: Arms sales to Taiwan

Letter from Senator Robert Kasten, Re: U.S.-Israel free trade

Re: Joint Business Conference of U.S.-Taiwan Economic Council

Re: Burden sharing

Re: Taiwan and the Gulf War

Letter from W.N. Morell, Jr. of U.S.-ROC Economic Council

Letter to David Laux of American Institute on Taiwan (AIT)

Meeting with AIT Director Thomas Stanley Brooks

Re: Taiwan and the GATT

Re: Taiwan and the GATT

Re: Taiwan-U.S. military relations

Re: Taiwan and the GATT

White House Staff and Office Files - Walter Kansteiner Files (NSC)

Folder Title - Taiwan-1992

Talking Points for meeting with Chinese Foreign Minister

Taiwan Relations Act - 10 April 1979

EAP press guidance, Re: Arms sales to Taiwan

White House Staff and Office Files - Virginia Lampley Files (NSC)

Folder Title - Taiwan

Re: F-16's for Taiwan

Re: Presidential delegation to Taiwan

White House Staff and Office Files - Deborah Lehr Files (NSC)

Folder Title - GATT Working File: Taiwan [1]

Re: Taiwan and the GATT Re: Taiwan and the GATT

Re: Talking points for Taiwan GATT meeting

Taiwan Memorandum of Foreign Trade Regime - 4 February 1992

White House Staff and Office Files - Deborah Lehr Files (NSC)

Folder Title - GATT Working File: Taiwan [2]

Letter from Senator Max Baucus, Re: Taiwan and the GATT

Re: Taiwan and the GATT - Geneva developments

Re: Taiwan and the GATT - Cable from Geneva

Re: China and Taiwan and the GATT

Re: Proposed Skaggs resolution on Taiwan and the GATT

Re: Proposed statement admitting Taiwan into the GATT

Re: Taiwan and the GATT - Chinese position

Re: Taiwan and the GATT - Latest Chinese position

Re: Next steps on Taiwan GATT application

Memo on Taiwan and the GATT

Re: Taiwan and the GATT

Re: Response to PRC complaint on U.S. position on Taiwan and the GATT

Re: Meeting with PRC Ambassador Zhu on Taiwan GATT application

Letter from Chinese Foreign Minister Li Peng, Re: Taiwan GATT application

Correspondence from Nat Bellochi (AIT)

White House Staff and Office Files - Deborah Lehr Files (NSC)

Folder Title - Taiwan

Nations maintaining diplomatic relations with Taiwan as of 10 December 1992

Chinese media reaction to USTR Carla Hills visit

Re: Taiwan political developments

Re: Lee Kuan Yew's trip to China

Letter from Deborah Lehr to Hon. Stephen J. Solarz, Re: Taiwan

Re: Taiwan and North Korea

Re: Taiwan and membership in INTERPOL

Re: Michael Kao Ying-Mao

Re: Dragon Gate nuclear project

Re: Ding Mou-Shih

Nat Bellochi meeting with Ding Mou-Shih

Re: Taiwan foreign policy

Re: Taiwan foreign policy

AIT list of companies with an interest in Taiwan

Folder Title - China-Taiwan 1990

Re: Taiwan and the PRC Re: South Korea and China Re: China and the GATT

Memo from FBI to Brent Scowcroft

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan - Arms Sale 1990 [1]

Lawrence Eagleburger summary memo on arms sales to Taiwan

Lawrence Eagleburger memo on arms sales to Taiwan

Correspondence from L. Desaix Anderson, Re: Arms sales to Taiwan

Ninth U.S.-Taiwan Arms Talks

Talking points for Ninth U.S.-Taiwan Arms Talks

Cable from AIT Taipei, Re: Press comment on U.S. arms sales to Taiwan

Re: Annual Taiwan arms sales talks Background paper on Taiwan arms sales

Documents concerning Taiwan arms sales

Report on Taiwan military Re: Taiwan helicopters

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan - Arms Sale 1990 [2]

Gary Weis (AIT) Taiwan trip report

Gerhard W. Weis briefing paper

Re: Military briefing for AIT representative

Taiwan Army briefing for Gary Weis

Taiwan Air Force briefing for Gary Weis

Taiwan Navy briefing for Gary Weis

Taiwan Indigenous Defense Fighter (IDF)

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-China 1990

Re: PRC talks with Taiwan on the GATT

Re: Gulf War, China, and Taiwan

Folder Title - Taiwan - Domestic Policy 1990

Re: Taiwan political situation

Re: Taiwan

Re: Taiwan political scene, and overview

Re: Taiwan-PRC business relations

Re: Taiwan and China

Re: Taiwan-PRC reunification

Re: Taiwan KMT political party

Re: Taiwan-PRC business relations

Re: Taiwan politics and economy

Re: Taiwan Premier Hau

Re: Defense minister nominated as new premier

Re: KMT political changes

Re: KMT political plan

Re: Taiwan KMT politics

Re: Taiwan KMT political leadership

Re: Taiwan KMT political leadership

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan - Economic Policy 1990

Re: Summary of Taiwan trade

Re: Taiwan investment in mainland China

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan - Foreign Policy 1990

Re: Taiwan-Russia relations

Re: French policy toward China and Taiwan

Re: Taiwan and Southeast Asia

Re: Philippines and Taiwan

Re: Taiwan diplomatic initiatives

Re: Taiwan's international position

Re: Taiwan and Southeast Asia

Re: French military deals with Taiwan

Folder Title - Taiwan-U.S. 1990 [1]

Summary of Nat Bellochi (AIT) talk on Taiwan

Re: Lawrence Eagleburger memo on Taiwan

Re: Taiwan foreign minister visit

Re: Ambassador David Kennedy letter request

Letter from Senator John Heinz, Re: Taiwan machine tools From Nat Bellochi to Richard Solomon, Re: Taiwan trip report

Re: Taiwan and burden sharing

From AIT Taipei, Re: Taiwan and burden sharing

Letter from Kenjohn Wang, Re: Taiwan and self determination

Re: Taiwan and the Philippines

Re: Checklist for meetings with Taiwan officials

Re: Taiwan and burden sharing

Re: President's meeting with U.S. representatives to Taiwan

Re: Meeting with AIT representatives

Notes, Re: President's meeting with AIT representatives

Points to be made with AIT officials

List of participants in meeting between the President and AIT officials

Taiwan Coordination Council for North American Affairs (CCNAA)

Message from Taiwan President Lee Teng-Hui to the President

Re: Comment on Roger Porter memo to POTUS on Taiwan and the GATT

Memo from Roger Porter to the President concerning Taiwan and the GATT

Letter from Hon. Patricia Saiki to POTUS, Re: Taiwan and the GATT

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1990 [2]

Re: Coordination of administration activities on Taiwan and the GATT

Re: Taiwan and GATT-MFN

Re: Call on Taiwan President Lee Teng-Hui

Re: Option paper on Taiwan and the GATT

Memo on PRC and Taiwan

Letter from various U.S. Senators, Re: Taiwan and the GATT

Re: Excess military equipment in Europe

PCC meeting on Taiwan's GATT application

PCC meeting on Taiwan's GATT application

Agenda and discussion paper for PCC on Taiwan's GATT application

Background paper on Taiwan's GATT application

TPRG (Trade Policy Review Group) discussion on Taiwan and the GATT

The European Community and the Taiwan GATT application

Re: ECC position on Taiwan's GATT application

Re: Taiwan and the U.S. (1) Re: Taiwan and the U.S.(2)

Taiwan Applies for GATT Membership: Challenges for U.S. Policymakers

News article, Re: Taiwan and the GATT

EAP press guidance, Re: Taiwan's GATT application

Folder Title - Taiwan 1992

Re: Shipboard systems for French frigates

Re: Mirage sale to Taiwan

Re: The Taiwan Air Force

Re: The Taiwan Air Force - An Appraisal and Estimate

Re: Analysis of Taiwan Air Force

Re: The Taiwan Air Force

Re: Arms sales to Taiwan

Re: F-16's to Taiwan

Re: Taiwan Mirage jet purchases

Re: June talks - Taiwan's FY-92 requests

Re: Mirage 2000's to Taiwan

Re: Mirage fighters for Taiwan

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan Economic Policy 1992

Re: Summary of Taiwan economic policy

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan GATT 1992

Re: Taiwan and the GATT

Re: China, Taiwan, and the GATT

Re: China and GATT

Re: China and the GATT

Re: China and Taiwan GATT

Re: Latest on Taiwan GATT

Re: Taiwan and the GATT

Re: Taiwan and the GATT: Latest from Geneva

Re: Taiwan

Re: China and Taiwan and the GATT

Re: China and Taiwan's participation in the GATT

Re: Taiwan and the GATT: Consultations

Re: China, Taiwan, and the GATT

Memo from Rufus H. Yerxa, Re: Taiwan and the GATT

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan Guidelines for Travel

USG Travel to Taiwan

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan Human Rights

Letter from Formosan Association for Human Rights

Folder Title - Taiwan-U.S. 1992 [1]

Re: Taiwan F-16 cable

Re: Taiwan military purchases

Re: Meeting on Taiwan military issues

Re: Discussions on F-16's for Taiwan

Re: F-16's for Taiwan

Re: Business and Taiwan policy

Re: Taiwan-U.S. business relationship

Re: French Mirage jets to Taiwan

Re: French Mirage jets to Taiwan

Re: Memo of conversation on Taiwan and Mirage sale

Re: Mirage sale to Taiwan

Re: Taiwan press reports agreement on Mirage purchase

Re: Taiwan Mirage / F-16 purchases

Re: Taiwan President's letter to President Bush

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1992 [2]

Re: Meeting with Taiwan official regarding F-16

Re: Taiwan Air Force and F-16 decision

Re: Oral message from President Bush to President Lee

Re: F-16 sale: Initial Taiwan reaction

Re: Oral message from President Bush to President Lee

Re: CCNAA and F-16 sale

Re: Oral message from President Bush to President Lee

Re: Oral message from President Bush to President Lee

Re: Oral message from President Bush to President Lee

Press guidance for President Bush announcement of F-16 sale

Re: F-16 fighters

Re: Caspar Weinberger letter to POTUS, Re: F-16's to Taiwan

Re: Taiwan arms sales

Re: Draft talking points for discussions with Chinese

Re: Senator Max Baucus meeting with Premier Hau

Re: President Lee's discussion of new fighters with Max Baucus

Report on Taiwan

Cable from AIT, Taipei, Re: Premier Hau

Letter from Lee Teng-hui to POTUS

Re: Taiwan and new fighter aircraft

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan Domestic Policy 1991

Re: Meetings with Taipei leaders

Re: Meeting with Premier Hau

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan Economic Policy 1991

Re: Taiwan's Ministry of Economic Affairs R&D Program

Partial list of Taiwan's Six-Year Development Projects - 30 May 1991

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan GATT 1990

Letter from David Kennedy to POTUS, Re: Taiwan and the GATT

Re: China's application for membership in the GATT

Re: China, Taiwan, and the GATT

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan GATT 1991

Re: Taiwan and the GATT, G-12 consultations

Re: Taiwan and the GATT

Supporting Taiwan's GATT application, legal issues

Ray S. Cline correspondence, Re: Taiwan and the GATT

Re: Taiwan GATT strategy

Re: Taiwan and the GATT

China and the GATT, meeting with PRC delegation

Summary of Chinese news coverage of the GATT

Taiwan and the GATT, guidance for informal meeting

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-Mainland 1991

Re: APEC

Re: APEC and China

Re: Russian arms sales to China

Re: Draft Taiwan paper

Re: U.S.-Taiwan relations

Re: "Flexible" timetable for reunifying Taiwan and China

Re: PRC and Taiwan contacts

Re: China, Taiwan, and the Middle East

Re: Jiang Zemin speech

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan Military Policy 1990

Re: Taiwan Air Force

Re: U.S. military relations with Taiwan

Re: January 1990 Taiwan visit

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan Military Policy 1990

Re: RGM-84 Anti-Ship Missile Defense System

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1991 [1]

Re: Taiwan Chief of General Staff Re: Message from President Lee

Proposed strategic alliance between McDonnell Douglas (MDC) and Taiwan Aerospace

Corporation (TAC)

Briefing book on MDC/TAC alliance

Briefing book on MDC/TAC alliance, teammate questions

MDC/TAC alliance justification

MDC/TAC alliance vs. Airbus alliance

Re: Taiwan domestic scene Re: Taiwan developments Re: Taiwan developments Re: Taiwan political situation

Re: Taiwan political situation

Re: Chinese military

Re: Taiwan current domestic scene

Re: Taiwan political situation

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1991 [2]

State Department Taiwan Guidance

Letter from POTUS to Caspar Weinberger, Re: Taiwan

Taiwan newspaper request for presidential message

Commercial Unit of AIT, Summary of Major Projects - 5 October 1990 (Large File)

The Six-Year National Development Plan for Taiwan, ROC (1991-1996)

The Six-Year National Development Plan for Taiwan, ROC (1991-1996) - Macroeconomic Targets

Foreign Economic Trends for Taiwan - January 1991

Re: Taipei American Chamber of Commerce letter to POTUS

Re: Taiwan President Lee Teng-hui

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1991 [3]

Re: President Lee's trip to the U.S.

Re: Taiwan follow-up meeting with CCNAA officials

Re: CCNAA guidelines for national reunification

Re: Oral message from President Bush to President Lee

Correspondence from President Lee Teng-hui, Re: Desert Storm

Re: Enhanced proliferation controls

News stories about possible aid to countries, Re: Gulf War

Taiwan guidelines Re: Taiwan air defense

Re: Further comments on meeting with President Lee Teng-hui

George Bush Vice Presidential Records

White House Office of Records Management (WHORM) Subject File Documents

CO034-01 - Letter from George Bush to David Kennedy

CO034-01 - Letter from David Kennedy to George Bush

CO034-01 - Letter from W.N. Morell to Don Gregg

CO034-01 - Letter from Peter Teeley to Washington Times

CO034-01 - Letter from Don Gregg to Donald Steenburgh

CO034-01 - Correspondence between George Bush and Hon. Rose Mofford

EN005 - Correspondence between George Bush and Harold DeMoss

FO008-02 - Hugh Gregg correspondence

George Bush Vice Presidential Records

White House Staff and Office Files - National Security Affairs

Folder Title - Taiwan-1987 Re: Wyoming coal mine sale

Re: Wyoming coal mine sale

Letter to Hon. Yu Kuo-hua, Re: Wyoming coal mine sale Letter from Ted L. Hanks, Re: Wyoming coal mine sale

Re: Wyoming coal mine, details and history

White House Staff and Office Files - National Security Affairs

Folder Title - Taiwan

Letter from President Lee Teng-hui to George Bush, Re: Election victory

White House Staff and Office Files - National Security Affairs

Folder Title - Taiwan-1988

Re: Talking points for meeting with Ding Mou-Shih

Cable, Re: Death of President Ching-Kuo

White House Office of Records Management (WHORM) Subject File Documents:

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

ID# 017629

INCOMING

DATE RECEIVED: MARCH 16, 1989 NAME OF CORRESPONDENT: DR. STEPHEN S. C	CHEN	
SUBJECT: WRITES CONCERNING THE TAIWAN I	ISSUE	
	ACTION DISPOSI	ITION
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT DATE TYPE C CO CODE YY/MM/DD RESP D YY	
CHARLES BACARISSE REFERRAL NOTE: Phil Hughe	or Comment CS	7_1_
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



台灣人公共事務會 Formosan Association for Public Affairs

Seattle Chapter

P.O. Box 22871 Seattle, WA 98122

Bocarisse

Stephen S. Chen, M.D., Ph.D. 18528 Brittany Drive, SW Seattle, WA. 98166 2007/1/0 Feb 21/01/989

The President of the United States The White House 1600 Pennsylvania Ave. Washington, D. C., 20500

My Dear Mr. President:

Congratulations on your Inauguration as the President of the United States. I have been impressed by your leadership as illustrated by your inspiring inauguration speech, your approach to the Congress and your excellent choice of cabinet members.

I have learned that you will visit China soon. I applaud your diplomatic initiative and your desire to promote peace and prosperity in the world. However, as a Taiwanese-American, I am deeply concerned about what you will say and do in China, regarding the so called Taiwan issue. I request that you and Mr.Deng Xiao Peng will reach an agreement wich promises that the future of Taiwan will be determined by peaceful means.

Mr. President, you said that you wish to characterize your administration as a kinder and gentler one. I hope this extends to the 20 million people in Taiwan who love peace, are longing for true representative democracy, and, above all, detest Communism. Mr. President, please help the people of Taiwan.

I wish you a wonderful and productive trip.

Sincerely yours,

Stephen S. Chen, President

Stephen S. Chen

Seattle Chapter



United States Department of State

Washington, D.C. 20520

March 27, 1989

Dr. Stephen S. Chen President, Seattle Chapter Formosan Association for Public Affairs P.O. Box 22871 Seattle, WA 98122

Dear Dr. Chen:

The President has asked me to respond to your letter of February 12 on the future of Taiwan.

I want to assure you that the United States intends to remain firm to our commitments under the Taiwan Relations Act. You may have heard that, during his confirmation hearings in January, Secretary Baker said: "...I would like to make it clear for the record that we intend to remain a reliable friend of Taiwan." Our consistent position, which is known to all, is that the future of Taiwan should be resolved by the Chinese people on both sides of the Taiwan Strait in a peaceful manner, free of outside interference.

Thank you for writing to the President on this important issue.

Sincerely,

David G. Brown

Taiwan Coordination Adviser

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

00034-01

DATE RECEIVED: MARCH 20, 1989

NAME OF CORRESPONDENT: DR. SHANE LEE

SUBJECT: WRITES URGING TAKING APPROPRIATE MEASURES TO

PRESERVE THE HUMAN RIGHTS OF THE PEOPLE OF

TAIWAN

ACTION	DISPOSITION	N
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世界台灣同鄉會聯合會(世台會) THE WORLD FEDERATION OF TAIWANESE ASSOCIATIONS

P. O. BOX 2736 STATION F, SCARBOROUGH, ONTARIO, CANADA M1W 3P3 TEL: (416) 292-4030 FAX: (416) 470-1545

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Talwanese Association of America

Taiwanese Association of Brazil

Taiwanese-Canadian Association

European Federation of Taiwanese Associations

Taiwanese Association of Japan President George Bush The White House Washington, D.C. 20500 USA

Dear Mr. President:

We would like to report to you a case of gross violation of human rights in Taiwan. A journalist, Mr. Cheng Nan-jung, Editor-in-Chief of Freedom Era Magazine in Taiwan has been charged of sedition in connection with the publication in the magazine of a draft for a new constitution which was written by Dr. Hsu Sekai, a political science professor currently teaching in Japan.

Freedom of expression is a basic human right guaranteed by all civilized countries in the world and by the Universal Declaration of Human Rights. Publishing a draft for a new constitution authored by a political scientist is simply an act of exercising the freedom.

We thought this case would be of interest to you for the Taiwan Relations Act, a public law of the United States, states that "the preservation and enhancement of the human rights of all the people on Taiwan are...objectives of the United States." We respectfully urge you to take appropriate measures in your power to preserve the human rights of the people on Taiwan.

Thank you and God bless you and America.

Sincerely yours.

Shane Lee, Ph.D.

President



United States Department of State

Washington, D.C. 20520

March 23, 1989

Dr. Shane Lee President World Federation of Taiwanese Associations P.O. Box 2736, Station F Scarborough Ontario, Canada MlW 3P3

Dear Dr. Lee:

President Bush has asked me to reply to your letter of March 11 concerning Mr. Cheng Nan-jung, a Taiwan editor who has been charged with sedition for publishing a draft constitution for the "Republic of Taiwan."

I want to assure you that the American Institute in Taiwan, which represents the American people's interests on Taiwan, has paid close attention to the case being brought against Mr. Cheng.

As you know, U.S. Government policy toward China is based on the principle that there is but one China. The U.S. Government has made it clear that it has no intention of pursuing a policy of "two Chinas" or "one China, one Taiwan". However, Americans and the US Government also support the right of free speech, without regard to the political content of the views expressed. Both these points apply to this case.

Mr. Cheng's case is now proceeding under the judicial system on Taiwan. We believe it is important that his case be dealt with fairly and with due process.

We have made these views known to the authorities on Taiwan through the American Institute in Taiwan.

Sincerely,

David G. Brown

Taiwan Coordination Adviser

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

ID# 031721 CO 034-01

INCOMING

DATE RECEIVED: MAY 01, 1989

NAME OF CORRESPONDENT: MR. CLYDE KIANG

SUBJECT: WRITES REGARDING THE "TAIWAN PROBLEM" AND

WANTS TO KNOW WHAT THE ADMINISTRATION'S NEW POLICY TOWARD TAIWAN IS AND HOW THE U.S.

IS TO GET OUT OF THE TAIWAN IMBROGLIO

			A	CTION	DISPO	SITION
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Clyde Kiang, Secretary Pittsburgh Taiwanese American Citizen League P.O. Box 67 New Stanton, PA 15672

February 12, 1989

President George Bush The White House 1600 Pennsylvania Ave., N.W. DC 20500

Dear President Bush:

On the eve of your forthcoming trip to China and Japan, it is quite appropriate to write this letter to you about the "Taiwan Problem" that has confronted the American foreign policy makers for more than four decades. At this time, our main qustion is: what is your new policy toward Taiwan and how the U.S. is to get out of the Taiwan imbroglio under your new administration?

We, the concerned Taiwanese Americans, ponder and raise the very question which is about to befall us because of your trip to the Orient, during which you are slated to meet and discuss with Chinese leaders about Taiwan.

In the statement of June 27, 1950, President Truman declared that the "determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations." Since then, the U.S. has repeatedly stated that the future of Taiwan should be settled by peaceful means in accordance with the U.N. Charter. This policy was reaffirmed in the Taiwan Relations Act of 1979, in which the U.S. has once again insisted that China resolve its dispute with Taiwan peacefully. Furthermore, the U.S. State Department has occasionally asserted that neither the Japanese Peace Treaty "nor any other agreement thereafter has purported to transfer the sovereignty of Formosa to China."

With this historical background in mind, we wish to reiterate that all questions affecting Taiwan must be settled by the freely expressed wishes of the people on the island under international supervision, and that the Taiwanese are entitled to the freedom of choice to work out their common destiny without being intimitated by any regime. The "Taiwan question" is not an internal affiar of China. It is not a matter to be bartered between Washington and Peking. Therefore, we denounce and repudiate any negotiation without abiding by the principle of self-determination toward the settlement of the Taiwan impasse.

Mr. President, we clearly see the possible danger of Chinese communism descending upon our people whose voice for democracy has been brutally suppressed by the Nationalist regime since the end of World War II. We deeply worry about the common destiny of

our people in the land of our birth when you look at one side to proclaim the future status of Taiwan through an agreement between the U.S. and the People's Republic of China with no repect to the wishes of the Taiwanese people.

It is our conviction that the solution to the "Taiwan problem" cannot fail to deal with the Taiwanese people whose inalienable rights to self-determination, together with fundamental human rights, must be fully upheld and guaranteed, as attested to by all international and nongovernmental organizations that monitor these violations. By fair means, the question of Taiwan should be settled in such a way as to safeguard the interests of Taiwanese as well as Americans. What the Taiwanese aspire today is to replace the totalitarian police state by a free, independent democarcy, that is, "of the people, by the people, and for the people."

Please, Mr. President, consider our appeal for Taiwan before making your decision on any possible change of U.S. policy toward the island. We hopefully trust that your leadership will make not only America but also Taiwan a "kinder, gentler nation." This is why we have voted for revalidating the American Dream and the Taiwanese Dream as well.

Respectfully yours,

Clyde Kiang, Secretary, Pittsburgh Taiwanese American Citizen League

CC: Mr. Don Quayle, Vice President
Mr. James Baker, Secretary of State
Senator John Heinz III
Senator Claiborne Pell
Senator Edward M. Kennedy
The Honorable Gus Yatron
The Honorable James A.S. Leach



United States Department of State

Washington, D.C. 20520

May 17, 1989

Dear Mr. Kiang:

I have been asked to reply to your letter of February 12 addressed to the President on the eve of his trip to China. You had asked what is the President's new policy toward Taiwan and how the US was going to get out of the Taiwan "imbroglio". You also stated that the "Taiwan problem" must be resolved by the people on Taiwan themselves, exercising their right of self-determination.

Under five successive presidents, the US has acknowledged the Chinese position that there is but one China and Taiwan is part of China. During his visit to China, President Bush confirmed the constancy of US policy by reaffirming that the three US-PRC Joint Communiques of 1972, 1979 and 1982 would continue to form the basis of US policy toward China. He stated clearly that US policy would continue to be based on the one-China principle. You will recall that in the 1982 Communique the US Government stated that it has no intention of pursuing a policy of "two Chinas" or "one China, one Taiwan."

President Bush has also reiterated the consistent US Government position that the outstanding differences between Taipei and Beijing should be resolved, peacefully, by the Chinese people on both sides of the Taiwan Strait. The United States will not interfere or put pressure on the people on Taiwan in this matter.

Our policies differ in some respects from the views expressed in your letter. Nevertheless I firmly believe that the constancy of these policies and of American friendship for the people of Taiwan, manifested by our continued commitment to the Taiwan Relations Act, has helped preserve peace in the area and contributed to Taiwan's remarkable economic development and growing democratization.

Sincerely,

David G. Brown Taiwan Coordination Advisor

Mr. Clyde Kiang, Secretary
Pittsburgh Taiwanese American Citizens League
P.O. Box 67
New Stanton, PA 15672

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

CO 034403

INCOMING

DATE RECEIVED: MAY 09, 1989

NAME OF CORRESPONDENT: DR. DAVID W. TSAI

SUBJECT: WRITES AGAIN FURTHER CONCERNING RIGHT OF

PEOPLE ON TAIWAN TO DECIDE THEIR FUTURE FOR

THEMSELVES

	ACTION	DISPOSITION	N
ROUTE TO: OFFICE/AGENCY (STAFF NAME)		TYPE C COMPLE RESP D YY/MM/	
CHARLES BACARISSE REFERRAL NOTE: REFERRAL NOTE: REFERRAL NOTE:		C 89/05/ 11 - RA 8706/	
REFERRAL NOTE: COMMENTS: SEE ID 017636			
ADDITIONAL CORRESPONDENTS: MEDIA	:L INDIVIDUAL O	CODES:	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS

MANAGEMENT.



731 Eighth Street, S.E. • Washington, D.C. 20003 • Tel. (202) 543-6287 • Fax: (202) 546-4784 • Telex: 510 601 7738

May 3, 1989

President George H.W. Bush The White House Washington, DC 20500

Dear Mr. President,

As you may recall, on February 15 of this year, I wrote you on behalf of our Center and eight organizations representing Taiwanese-Americans. We contacted you out of our concern for the right of the 20 million people on Taiwan to decide their future for themselves.

On April 7, Mr. David G. Brown, the Taiwan Coordination Advisor of the U.S. Department of State, was kind enough to write me a response on your behalf.

We very much appreciate the prompt and concise response from Mr. Brown. However, we believe that a number of points continue to require clarification.

First, Mr. Brown states that during your trip, you reaffirmed that the three joint communiques between the United States and the People's Republic of China (PRC) of 1972, 1979, and 1982 "would continue to form the basis of U.S. policy toward China." We strongly support the U.S. government's recognition, stated in the latter two communiques, that the government of the PRC is "the sole legal government of China." We believe that this recognition has both promoted peace and stability in the Pacific Basin region and has advanced American interests.

As far as the future of Taiwan is concerned, though, we believe that U.S. policy is governed not only by these communiques, but by the Taiwan Relations Act of 1979 (TRA). Furthermore, to the extent that the principles of the communiques conflict with the TRA, a duly enacted U.S. law, the Act takes precedence.

We believe that the 1982 communique seriously contradicts the TRA. As we stated in our previous letter to you, the Act bases U.S. arms sales to Taiwan solely upon a Presidential and Congressional assessment of Taiwan's defensive needs. We believe that the PRC constitutes the main security threat to the island because it refuses to rule out the

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use of force in pursuit of "reunification." The 1982 communique, in effect, makes the PRC a party to determining the level of U.S. arms sales to Taiwan. We believe that this is incompatible with the provisions of the TRA, and that the duly enacted law supercedes the communique when there are conflicts between them.

Furthermore, the 1982 communique is inconsistent with longstanding U.S. interest in the peaceful resolution of the question of Taiwan's future, since virtually no one on Taiwan today supports the PRC's proposal for "reunification under the one country, two systems concept." This U.S. interest is clearly articulated in the TRA, the 1972 communique, and numerous statements by U.S. government officials, including your four immediate predecessors in office.

Second, as you are perhaps aware, on February 26 and 27, the official media of the PRC, including both the People's Daily newspaper and the New China News Agency, reported that you told China's Premier, Mr. Li Peng, "that America will persist in a one China policy and will continue to observe the principles contained in the three communiques. America states this policy clearly and openly so as to discourage separatists on Taiwan."

These reports were reprinted in the Central Daily News, the official organ of the ruling Nationalist Party on Taiwan. As you undoubtedly know from your long years of experience in Asian affairs, it is exceedingly rare for this newspaper to quote form Chinese Communist sources. Evidently, the governments and ruling parties on both sides of the Taiwan Strait are seeking to use reports about your discussions with Mr. Li to bolster their mutual claims that Taiwan is a part of China. While the U.S. has for many years acknowledged that this is the Chinese position, it has never accepted or recognized such a claim.

For over a week after these reports appeared, we were unable to obtain any response to them from either your office or the State Department. We were most concerned to know whether the reports constituted an accurate characterization of your discussions with Premier Li.

Finally, on March 6, Mr. Brown's office informed us of its "press guidance" on this issue. Mr. Brown's subsequent letter to us follows the same line of argument as that press guidance. It reiterates "the bedrock principle" of U.S. policy that "there is but one China." It states that in the joint communiques, the U.S. government has made it clear that it has no intention of pursuing a policy of "two Chinas" or "one China, one Taiwan."

At the same time, we understand from subsequent conversations with Mr. Brown's office that the U.S. explicitly upholds the right of the people on Taiwan to advocate Taiwan's permanent separation from China,

or any other position with respect to the ultimate resolution of the question of Taiwan's future.

Obviously, the U.S. can avoid pursuing a particular outcome with respect to that question -- such as "one China, one Taiwan" -without actively opposing that outcome. Nevertheless, two questions remain unclear to us, and we would very much appreciate a clarification from you or appropriate officials of the U.S. government concerning these questions.

First, if the U.S. government indeed supports the right of the people on Taiwan freely and openly to discuss Taiwan's future, why does the U.S. government refuse to state this publicly, and why has the U.S. government failed to make vigorous public statements opposing the efforts of the Taiwan authorities to prosecute and incarcerate peaceful proponents of independence?

Second, as we noted in our earlier letter, we insist that sovereignty over Taiwan belongs to the people who live on the island, and to no one else. Should the people on the island choose to exercise that sovereignty, and formally declare themselves independent from the People's Republic of China, will the U.S. continue to have an interest in seeing the Taiwan question settled by peaceful means, regardless of the desires of the PRC government to annex Taiwan by force?

We strongly agree with your statement during your trip that the so-called "China card" strategy is now obsolete and was always a condescending approach to the people of China. To reiterate a point in our earlier letter, changing relations among the United States, China, and the Soviet Union have freed our country from any need to defer to the PRC on the issue of the future of Taiwan. At the same time, the U.S. continues to have important incentives it can offer the PRC for moderating its behavior toward Taiwan.

Therefore, we again urge you to uphold the right of the people on Taiwan to decide their future for themselves, free from outside coercion and restraints imposed by the authorities on the island.

Sincerely,

David W. Tsai, Ph.D.

David W. Tsai

President

cc: U.S. Senate Committee on Foreign Relations U.S. House of Representatives Committee on Foreign Affairs

Mr. David G. Brown, U.S. Department of State

United States Department of State



Washington, D.C. 20520

Dear Mr. Tsai:

I have been asked to reply to your second letter, dated May 3, to President Bush. You asked for clarifications on a number of points in my first letter to you.

I of course agree with you that United States policy toward Taiwan is governed by the Taiwan Relations Act (TRA) as well as by the three communiques we have signed with the PRC. Secretary Baker made this point very clearly in his confirmation hearings when he reaffirmed our commitment to the TRA. All these documents are important statements of US policy.

While some people have argued that there is a theoretical contradiction between the US-PRC 1982 Communique and the TRA, the Administration has had no problems in dealing with arms sales in a manner that complies with both. Those people often ignore the PRC statement in the same communique that its "fundamental" policy toward Taiwan is to strive for a peaceful solution. This statement of PRC policy was an important factor in the US decision to sign the communique. I am sure you will agree that tensions between the PRC and Taiwan are currently at an all-time low. I believe that the consistency of American policy has contributed to the peace and prosperity which the people of Taiwan enjoy today.

We have stated publicly our commitment to freedom of speech, regardless of the views expressed, in successive human rights reports and elsewhere. The American Institute in Taiwan has conveyed our views to the Coordination Council for North American Affairs here and to the Taiwan authorities in Taipei. At the same time, We have made clear our one-China policy lest USG support for the free speech rights of those who advocate independence be misunderstood as support for those peoples' views. We weigh carefully how we make our views known, reserving open pressure for the most egregious cases.

Our hope is that the Chinese people on both sides of the Taiwan Strait resolve their differences peacefully, free from outside interference. As stated in the TRA, we would view with grave concern any effort to determine the future of Taiwan by other than peaceful means.

Sincerely,

Taiwan Coordination Advisor

Mr. David W. Tsai President, Taiwan Center for Inter. Studies 731 8th Stree, SW Washington, D.C. 20003

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

CO 034-0

INCOMING

DATE RECEIVED: JULY 17, 1989

NAME OF CORRESPONDENT: THE HONORABLE FRANK F. FASI

SUBJECT: REQUEST ACKNOWLEDGEMENT OF THE REMARKABLE POLITICAL PROGRESS MADE BY THE GOVERNMENT ON

TAIWAN, ESPECIALLY IN THE FACE OF THE

CONTRASTING REPRESSION COMING OUT OF PEKING

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*X-INTERIM REPLY *	*******	*****	*****	******	**

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CITY AND COUNTY OF HONOLULU

HONOLULU. HAWAII 96813 . AREA CODE 808 . 523-4141

FRANK F. FASI



July 7, 1989

The Honorable George H. W. Bush President of the United States Office of the President The White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear Mr. President:

I write you in the aftermath of June 4, 1989, and the Peking Massacre of thousands of innocent Chinese people. I am Mayor of the eleventh largest U.S. city. Honolulu is also the largest city with a Republican mayor. Furthermore, Honolulu is the largest city with a majority population whose ancestors came from Asia, not Europe, and the major city closest to East Asia.

You have served in Peking, and know the present Chinese leadership. I believe your personal acquaintance with Teng Hsiao-ping may make you sympathetic with his long range goals. On the other hand, I know you condemn China's leaders for having ordered the slaughter of unarmed students.

I know you recall as well your service as U.N. Ambassador. In 1971, you led the fight for the rights of another voice of China, the Republic of China on Taiwan.

In the period since 1971, while the mainland has moved from brutal repression to reform and back to brutal repression, the Republic of China on Taiwan has made remarkable political and economic progress.

Today, Taiwan is preparing to hold its first multiparty elections. It already has ended marshal law, moved to a free press, and opened up direct contacts with the mainland--all developments that would have seemed wildly improbable when you were defending the ROC in 1971.

The Honorable George H. W. Bush July 7, 1989 Page 2

Mr. President, I know you are not going to invite the President of the Republic of China to come to the U.S. on an official state visit. I ask you, however, to acknowledge the remarkable political progress made by the Chinese government on Taiwan, especially in the face of the contrasting repression coming out of Peking. You should be able to note publicly, including to people of Chinese extraction in the U.S. and elsewhere, that an alternative to Communism exists--it is alive and working in Taiwan.

I specifically recommend that you let Republic of China President Lee know he is welcome to visit the United States, and that you will meet with him unofficially while he is in Washington.

Please let me have your personal reaction to this suggestion.

Warm personal regards.

JINCOLOLY

FFF:ss

Should Red Chris be Seated better, by us, Han

with Ofrica



United States Department of State

Washington, D.C. 20520

August 10, 1989

Dear Mayor Fasi:

I have been asked to reply to your letter of July 7 to the President regarding Taiwan. Like you, all Americans admire the economic and political strides made by the Chinese people on Taiwan. By now Taiwan's economic miracle is well known. It is one of the world's leading trading economies and enjoys one of the highest living standards in Asia. We are also pleased that Taiwan has taken steps to reduce its huge trade surplus with the US. Politically Taiwan is making the transition from an essentially one-party authoritarian system to a more pluralistic system. The upcoming 1989 election, Taiwan's first genuine multi-party election, testifies to the gradual democratization of the island's political system. We have every expectation that this process will continue.

We have studied carefully your recommendation that Mr. Lee Teng-hui visit the United States and meet with the President "unofficially" in Washington. As you know, in 1979 the United States recognized the People's Republic of China as the sole legal government of China, and within that context the American people maintain trade and other unofficial relations with the people on Taiwan. In the past ten years we have developed an excellent framework to conduct our substantive relations with Taiwan. We believe this unofficial framework should be maintained. Thus a meeting with President Bush, regardless of form, would not be appropriate.

Thank you for taking time out to write to the President.

Sincerely,

Carcol Longson Milano

Carol Lancaster Milano Coordinator of Intergovernmental Affairs

Bureau of Public Affairs

The Honorable Frank F. Fasi Mayor, City and County of Honolulu Honolulu, Hawaii 96813

ID# 055736 ...

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

CO 034-01

DATE RECEIVED: JULY 21, 1989

NAME OF CORRESPONDENT: THE HONORABLE DON YOUNG

SUBJECT: EXPRESSES CONCERN THAT TAIWAN HAS NOT ENTERED INTO AN ACCEPTABLE MONITORING OR ENFORCEMENT AGREEMENT UNDER THE TERMS OF P.L. 100-220, THE DRIFTNET MONITORING, ASSESSMENT AND

	AC	CTION	DISPOSITION	
ROUTE TO: OFFICE/AGENCY (STAFF N	ACT CODE		TYPE C COMPLE RESP D YY/MM/	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

DON YOUNG CON: RESSMAN FOR ALL ALASKA

WASHINGTON OFFICE 2331 RAYBURN BUILDING TELEPHONE 202/225-5765

COMMITTEES:
INTERIOR AND INSULAR
AFFAIRS
MERCHANT MARINE AND
FISHERIES
POST OFFICE AND

CIVIL SERVICE



Congress of the United States

House of Representatives

Washington, B.C. 20515

July 19, 1989

55736 DISTRICT OFFICES

701 C STREET, BOX 3 ANCHORAGE, ALASKA 99513 TELEPHONE 907/271-5978

BOX 10, 101 12TH AVENUE FAIRBANKS, ALASKA 99701 TELEPHONE 907/456-0210

401 FEDERAL BUILDING P.O. BOX 1247 JUNEAU, ALASKA 99802 TELEPHONE 907:586-7400

501 FEDERAL BUILDING KETCHIKAN, ALASKA 99902 TELEPHONE 907/225-6880

RT. 1, BOX 1605 KENAI, ALASKA 99611 BOX 177 KODIAK, ALASKA 99615

P.O. Box 1860 Nome, Alaska 99762

J. W. Cluse

The Honorable George Bush President of the United States The White House Washington, D.C. 20500

Dear Mr. President:

On June 30, 1989, Secretary of Commerce Mosbacher certified to you under section 4006(b) of the Driftnet Monitoring, Assessment, and Control Act (P.L. 100-220) that Taiwan has not entered into an acceptable monitoring or enforcement agreement under the terms of that Act. Subsequently, an agreement was initialed by representatives of the American Institute in Taiwan (AIT) and the Coordinating Council for North American Affairs (CCNAA). That agreement has not been accepted by the Taiwanese government.

On July 18, 1989, agents of the U.S. Coast Guard and the Office of Law, National Marine Fisheries Service, arrested six individuals connected with Taiwanese fishing operations for violations of the Lacey Act. Further charges may be filed under the Magnuson Fishery Conservation and Management Act. The action occurred after the Taiwanese individuals attempted to "launder" \$1.3 million worth of illegally caught salmon through the United States. As of this writing, the Taiwanese government has refused to respond to U.S. requests for permission to board and detain the seven Taiwanese vessels involved.

Given the obvious intent of the Taiwanese government to continue allowing its nationals to flagrantly violate U.S. and international law and to ignore good faith efforts on the part of our government to enter into binding agreements that will stop this international piracy, I believe that immediate action must be taken. You have the authority to impose sanctions on all Taiwanese fish products being imported into this country. I request that you act immediately to impose those sanctions. Absent a strong stand by our government, we can only look forward to further incidents of resource loss on the high seas.

Mr. President, the fishermen of Alaska are counting on your support. Please don't let them down.

Congressman for all Alaska

DY:rmm

cc: The Honorable James Baker, Secretary of State
The Honorable Robert Mosbacher, Secretary of Commerce
The Honorable Carla Hills, U.S. Trade Representative

ID# 1:18186

0034-01

THE WHITE, HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 28, 1990

NAME OF CORRESPONDENT: THE HONORABLE BILL NELSON

SUBJECT: URGES THE PRESIDENT TO SUPPORT TAIWAN'S

APPLICATION FOR GATT MEMBERSHIP, AND CREATE A GATT WORKING GROUP SO THAT THIS APPLICATION CAN BE ON THE AGENDA OF THE NEXT GATT MEETING

	ACTION	DISPOSITION	N
ROUTE TO: OFFICE/AGENCY (STAFF NAME)		TYPE C COMPLI D RESP D YY/MM	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS

MANAGEMENT.

118186

Congress
of the
United States
Souse of Representatives



Mc June February 27, 1990

> The Honorable George H. Bush President of the United States The White House Washington, D.C. 20004

CHAIRMAN OF SUBCOMMITTEE: SPACE SCIENCE AND APPLICATIONS COMMITTEES: SCIENCE, SPACE AND TECHNOLOGY BANKING, FINANCE AND URBAN AFFAIRS

BILL NELSON

ELEVENTH DISTRICT

FLORIDA

Dear Mr. President:

I am writing to declare my support of Taiwan as a member in the General Agreement on Tariffs and Trade (GATT). Taiwan's January 1, 1990 application for membership is an important development that deserves the full support of the United States government.

As our fifth largest trading partner and the thirteenth largest trading entity in the world, Taiwan has achieved significant economic status. Clearly Taiwan is an important participant in the world economy with its foreign exchange reserves ranking second in the world. It would serve U.S. interests and strengthen the global trading system to grant Taiwan GATT membership.

It is clear that Taiwan is willing to assume the international responsibilities and obligations of a GATT member by applying with developed-nation status. Taiwan has taken important trade-liberalization steps, including improvement of intellectual property protection and significant tariff reductions. Having applied under the name "Customs Territory of Taiwan, Penghu, Kinmen and Matsu," Taiwan is indicating that it limits its application to those areas over which Taiwan has autonomy in the conduct of foreign trade.

I urge you to support the creation of a GATT Working Group and to request that the GATT Secretariat place Taiwan's application on the agenda of the next GATT Council meeting. This is an important step in helping Taiwan assume its deserved place in the international trade community.

BN:ee

Die Nelson

The Honorable Bill Nelson U.S. House of Representatives Washington, D.C. 20515-0912

Dear Congressman Nelson:

The President has asked me to follow-up on the White House response to your letter of February 27, 1990, concerning the application by Taiwan for accession to the General Agreement on Tariffs and Trade (GATT). I share your view that Taiwan's decision to submit its request for GATT contracting party status on January 1, 1990, is an important development, and that the U.S. Government should support Taiwan's application. I believe that we have a unique opportunity to bring under GATT discipline one of the last major market-price based trading entities outside the GATT system, and to foster its future development along GATT lines. Clearly, this will greatly benefit U.S. bilateral and multilateral trade goals.

Taiwan has tried to avoid political controversy by applying as the Customs Territory of Taiwan, Penghu, Kinmen and Matsu, rather than under a more politically contentious title. Nevertheless, this request presents political difficulties. While the GATT does not require political sovereignty for GATT participation, the People's Republic of China strongly objects to consideration of Taiwan's request for GATT membership, equating this with political recognition of the Taiwan regime. As a consequence, the GATT Contracting Parties have delayed placing the issue on the Council agenda in order to reflect on the application and on how it can be addressed in the GATT.

I continue to believe that the eventual accession of Taiwan to the GATT will greatly benefit U.S. commercial and trade policy interests, and the international trading system as a whole. We will work with other GATT contracting parties to address the problems that face eventual initiation of the GATT review of Taiwan's request, and we seek your continued support for our efforts.

Sincerely,

Carla A. Hills

CAH:ckj WNewkirk/cklein:cj 3/26/90 chron + 3 + Gatt Affairs fn:prelim.nelson.letter cn: 90071019

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: MARCH 05, 1990

NAME OF CORRESPONDENT: THE HONORABLE BOB PACKWOOD

SUBJECT: SUPPORTS TAIWAN'S JAN 1 90 APPLICATION FOR

MEMBERSHIP IN THE GENERAL AGREEMENT ON

TARIFFS AND TRADE (GATT) AND URGES THE U.S.

TO COMMIT TO THIS EFFORT

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING

LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS

MANAGEMENT.

LLOYD BENTSEN, TEXAS, CHAIRMAN

DANIEL PATRICK MOTNIHAN, NEW YORK BOB DAYS WALE. MAX BAUCUS, MONTANA DAVID L. BOREN, OKLAHOMA BILL BRADLEY, NEW JERSEY GEORGE J. MITCHELL, MAINE DAVID PRYOR, ARKANSAS DAVID PRYOR, ARKANSAS DONALD W. RIEGLE, JR., MICHIGAN JOHN D. ROCKEFELLER IV., WEST VIRGINIA TOM DASCHLE, SOUTH DAKOTA

WILLIAM V. ROTH, JR., DELAWARE JOHN C. DANFORTH, MISSOURI JOHN H. CHAPEE, RHODE ISLAND JOHN HENZ, PENNSYLVANIA DAVID DURENBERGER, MINNESOTA WILLIAM L. ARMSTRONG, COLORADO

United States Senate

COMMITTEE ON FINANCE WASHINGTON, DC 20510-6200 -March 2, 1990

VANDA B. McMURTRY, STAFF DIRECTOR AND CHIEF COUNSEL ED MINALSKI, MINORITY CHIEF OF STAFF

F M. Cure

The President The White House Washington, D.C. 20500

Dear Mr. President:

We are writing in support of Taiwan's January 1, 1990 application for membership in the General Agreement on Tariffs and Trade (GATT), and urge you to commit the full support of the United States to this effort.

Membership for Taiwan in GATT follows naturally and logically from Taiwan's achievement of significant economic status around the world. Taiwan has become a major player as our fifth largest trading partner and the thirteenth largest trading entity in the world. Its foreign exchange reserves rank second in the world and its citizens enjoy an impressively high standard of living. The U.S. should take this unique opportunity to further its own international trade interests and those of the GATT institution by supporting Taiwan's application.

We understand that Taiwan is fully prepared to assume the international responsibilities and obligations of a GATT member. It has taken important trade-liberalization steps, including improvement of intellectual property protection and significant tariff reductions. Taiwan is applying as a "developed" country, under the name of the "Customs Territory of Taiwan, Penghu, Kinmen and Matsu." This clearly limits the application to those areas over which Taiwan has autonomy in the conduct of foreign trade.

We urge you to support the creation of a GATT Working Group and to request that the GATT Secretariat place Taiwan's accession request on the agenda of the next GATT Council meeting. This is an essential first step in our effort to help Taiwan assume its deserved place in the international trade community.

Sincerely,

Lloyd Bentsen 4 & Bob Packwood 77

Photo Copy Preservation

March 2, 1990 Page Two

The President

Dear Bob:

Thank you for your recent letter to the President, cosigned by 19 of your colleagues, expressing your support for Taiwan's January 1, 1990, application for membership in the General Agreement on Tariffs and Trade (GATT).

President Bush appreciates the interest which prompted you to write. I have taken the liberty of sharing your comments with the President's trade policy advisors so that they, too, are aware of your recommendations.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure Assistant to the President for Legislative Affairs

The Honorable Bob Packwood United States Senate Washington, D.C. 20510

FDM/HGP/emu (PC8)

cc: w/copy of inc to USTR - for Direct Response

cc: w/copy of inc to the Office of Economic and Domestic Policy -

FYI

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

* Wertspielering

CO 034-01

DATE RECEIVED: DECEMBER 06, 1990

NAME OF CORRESPONDENT: THE HONORABLE W. DOUGLAS SCAMMAN JR.

SUBJECT: URGES THE ADMINISTRATION TO ARTICULATE ITS

COMMITMENT TO THE LIBERTY OF TAIWAN

	A	CTION	DISPO	SITION
ROUTE TO: OFFICE/AGENCY (STAFF NAME)				COMPLETED YY/MM/DD
JOHN SUNUNU REFERRAL NOTE:	ORG	90/12/06	JS A	90 112121
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0E0B) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



W. Douglas Scamman, Jr. Speaker

> John Sununu Chief of Staff The White House Washington DC 20002

STATE OF NEW HAMPSHIRE

HOUSE OF REPRESENTATIVES
CONCORD 03301

THE CHIEF of STAFF

November 26, 1990

has seen

Dear John,

I recently returned from a fact-finding trip to Taiwan and I wanted to share some of our findings with you.

The main focus of our research was education, but one of the most serious concerns I brought from Taiwan involves a foreign policy matter.

There is a growing perception in both Taiwan and Mainland China that the United States will not intervene if Mainland China threatens the sovereignty of Taiwan. The day we left Taiwan an editorial in a Mainland newspaper said the United States had proven its inability to defend its allies when Kuwait was invaded. It is obvious that the government of Mainland China thinks (and hopes) that the United States would not act quickly to prevent Communist China from invading and annexing Taiwan.

Taiwan is a vital ally to the United States and a strong voice for Democracy in the Far East. They need and deserve to know that the United States will help defend Taiwanese sovereignty in the face of aggression from the Mainland.

All eight members of our group, including state representatives Elizabeth Hager and William Kidder, very strongly urge President Bush to let both the people of Taiwan and the government of Communist China know in no uncertain terms that the United States is unwaveringly committed to the liberty of allies like Taiwan.

We spent a great deal of time in Taiwan dealing specifically with education and observed that they had considerably fewer administrative positions in their education system than we do. One elementary school we visited had 6000 students and only 13 administrative employees, not including teachers. The American education system could certainly save millions of dollars at the federal, state and local level by reducing administrative costs.

One final note - I have a number of concerns about the recent election here in New Hampshire that I'd like to discuss with you. Perhaps we can get together the next time you visit New Hampshire, or discuss it over the phone when your schedule permits.

I look forward to hearing from you.

Sincerely,

W. Douglas Scamman, Jr. Speaker of the House

THE WHITE HOUSE

December 21, 1990

Dear Doug,

Thank you for your note on your trip to Taiwan. It sounds like it was very interesting and very productive.

I would be happy to talk with you in the next week or so about the recent elections. Call me over Christmas. Nancy and I will be spending a few days up there trying to relax.

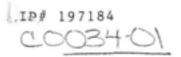
I hope you, Stella, and the whole Scamman clan have a <u>great</u> Christmas!

Sincerely,

John H. Sununu Chief of Staff

Mr. W. Douglas Scamman, Jr. Speaker New Hampshire House of Representatives Concord, New Hampshire 03301

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET



INCOMING

DATE RECEIVED: DECEMBER 10, 1990

NAME OF CORRESPONDENT: THE HONORABLE GO	RDON J. HUMPHREY
SUBJECT: REITERATES SUPPORT FOR TAIWAN' TO THE GENERAL AGREEMENT ON TA	
	ACTION DISPOSITION
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JOHN SUNUNU REFERRAL NOTE:	ORG 90/12/10 NAN @90/12/2010
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REFER QUESTIONS AND ROUTING UPDA	TES TO CENTRAL REFERENCE

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0E0B) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

GORDON J. HUMPHREY NEW HAMPSHIRE

531 HART SENATE OFFICE BUILDING (202) 224-2841 FAX NUMBER (202) 224-1363 NEW HAMPSHIRE TOLL FREE NUMBER 1-800-852-2714

United States Senate

WASHINGTON, DC 20510-2901

197/84

JUDICIARY

FOREIGN RELATIONS

ENVIRONMENT AND PUBLIC WORKS

December 4, 1990

The Honorable John Sununu Chief of Staff The White House Washington, D.C. 20500 THE CHIEF of STAFF has seen

Dear John:

Last May I joined with several colleagues on the Foreign Relations Committee in a letter to the President urging U.S. support for Taiwan's membership to the General Agreement on Tariffs and Trade. As no action has been taken on that recommendation, I am writing to reiterate my support for Taiwan's application.

There is a compelling case for Taiwan's membership in GATT. Taiwan is the fifth largest trading partner of the United States and maintains a dominant role in the world economy. Throughout my career in the Senate I have met on numerous occasions with representatives of Taiwan to discuss their political and economic transformation. I am confident that Taiwan has taken sincere and lasting steps to reduce the trade imbalance between our two countries.

Undoubtedly such a move will encounter opposition from the People's Republic of China. However, in view of the PRC's unhelpful position at the United Nations last week, I cannot see why the Administration would hesitate to support Taiwan's application.

John, there is broad bipartisan support for such a move in Congress. I urge you to support it.

With warmest regards, I am

Sincerely yours,

GJH/tk

157 Main STREET BERUM, NH 03570 (603) 752-2600

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

10-15 NW

DATE RECEIVED: MAY 16, 1991

NAME OF CORRESPONDENT: MR. COEN BLAAUW

SUBJECT: ASKS THE PRESIDENT TO URGE THE NATIONALIST

GOVERNMENT OF TAIWAN TO STOP THE PRACTICE OF VIOLATING THE RIGHT TO RETURN TO ONE'S

HOMELAND

Dally- St. Dept for reply -

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS

MANAGEMENT.

台灣人公共事務會



Formosan Association for Public Affairs

538 7TH STREET S.E., WASHINGTON, D.C. 20003 TEL: (202) 547-3686 FAX: (202) 543-7891

President George Bush The White House Washington, D.C. 20500

May 7, 1991

Dear Mr. President:

The Formosan Association for Public Affairs (FAPA), is an overseas Taiwanese organization that promotes human rights for the people of Taiwan.

Art. 13(2) of the Universal Declaration of Human Rights states that, "Everyone has the right to leave any country, including his own, and to return to his country." The 1990 U.S. State Department Human Rights Report states that in the first 8 months of 1990, 5,129 applications for entry into Taiwan were denied, and that, of these, 2,689 were denied on the basis of suspicion of posing "grave security risks to national security or social stability."

Overseas Taiwanese, who have merely spoken out on their political beliefs, but who are considered "undesirable" by the authorities, have been -and are still being- denied entry into Taiwan under a 1984 law. This law also gives the Taiwanese authorities the power to revoke the passport of any Taiwan citizen who makes remarks overseas that are deemed inimical to the interests of the Taiwan authorities.

Despite the fact that the U.S. doesn't maintain diplomatic relations with Taiwan, I ask you, on behalf of all overseas Taiwanese who are being prevented from exercising their right to return to their native Taiwan, to urge Taiwan's nationalist government to stop this practice of violating the inalienable -and allegedly inviolable- right of returning to one's homeland.

Taiwan's blacklist must be abolished.

I hope to hear from you soon.

Sincerely yours,

Coen Blaauw Director

THE WFITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

CO 034-01

DATE RECEIVED: JUNE 04, 1991

NAME OF CORRESPONDENT: THE HONORABLE BILLY TAUZIN

SUBJECT: ASKS THAT THE STATE DEPARTMENT BE CONVINCED THAT THE SALE OF ISLAND CLASS PATROL BOATS TO TAIWAN TO ESTABLISH A COAST GUARD SHOULD NOT BE SUBJECT TO THE LIMITATION ON "ARMS" SALES

	ACTION	DISPOSITION	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

BILLY TAUZIN THIRO DISTRICT, LOUISIANA

ENERGY AND COMMERCE COMMITTEE MERCHANT MARINE AND RISHERIES COMMITTEE

WASHINGTON OFFICE: TELEPHONE: 202-225-4031 2342 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515

Congress of the United States House of Representatives Washington, DC 20515

May 28, 1991

243005 DISTRICT OFFICES:

> TELEPHONE: 504-589-6366 500 CAMP STREET SUITE 1041 NEW ORLEANS, LA 70130

TELEPHONE: 504-876-3033 FEDERAL BUILDING, SUITE 107 HOUMA, LA 70360

TELEPHONE: 318-367-8231 210 EAST MAIN STREET NEW ISERIA, LA 70560

The President The White House 1600 Pennsylvania Avenue Washington, D.C. 20500

Dear Mr. President:

This is to request your favorable consideration in resolving a technical problem which is blocking an important export transaction with significant benefits to the shipbuilding industrial base of the United States. The Republic of China on Taiwan ("ROC") is forming a Coast Guard modeled after our Coast Guard. Its function will be law enforcement, primarily control of illegal immigration and smuggling. Our Department of State supports this step as a significant move towards demilitarization of the ROC.

The ROC's new Coast Guard wants to acquire patrol boats of the Island Class operated by our Coast Guard. The transaction would involve the building of two baots of this class in the United States and then the provision by United States suppliers of kits from which additional craft would be constructed in the ROC. The initial procurement has a value of up to approximately \$150 million.

These Island Class boats are a minor derivation from a British design which has been produced for several countries in the Middle East, Far East and Latin America. The U.S. version which the ROC wishes to acquire is built to a commercial specification from commercial materials. It would be unarmed and would have no electronic equipment other than commercial navigation and communications equipment.

Because these Island Class boats were provided to our Coast Guard and have a Coast Guard vessel designation they are subject to export control under the ITAR. All interested agencies, including the Navy, DOD, and the Coast Guard approve have indicated no objection to the acquisition of these vessels by the ROC Coast Guard. The Department of State, however, has apparently determined that these boats are "arms" subject to the limitation on arms sales policy of the 1982 Joint Communique with the People's Republic of China. Because functionally identical patrol boats, including the design from which the Island Class was derived are available from numerous sources worldwide, if the Island class remains

subject to this arms sales limitation, the ROC will acquire their needs elsewhere.

In my opinion, State's position is incorrect. These vessels were given the Coast Guard designation which appears in the ITAR list only because they were built for our Coast Guard. In fact, however, these boats are not dissimilar to many purely commercial craft, such as offshore crew and supply boats, and high-speed ferries and yachts. The sole result of the Department of State's lack of flexibility will be that this transaction, which is critical to our weakened shipbuilding industrial base, will be filled by foreign competitors.

I would appreciate your favorable consideration of our efforts to convince the Department of State that these boats should not be subject to the limitation on "arms" sales to the ROC.

Very truly yours,

BILLY TAUZIN

Member of Congress

BT/erm

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

CO 034-01

DATE RECEIVED: JUNE 17, 1991

NAME OF CORRESPONDENT: THE HONORABLE BILL ARCHER

SUBJECT: URGES THE PRESIDENT TO SUPPORT THE

APPLICATION OF TAIWAN TO BECOME A MEMBER OF THE GENERAL AGREEMENT ON TARIFFS AND

TRADE (GATT)

MANAGEMENT.

	ACTION	DISPOSITION	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS

246383

Congress of the United States Washington, DC 20515

(me Olive

June 13, 1991

The President The White House Washington, D.C. 20500

Dear Mr. President:

We are writing to urge you to support the application of Taiwan to become a member of the General Agreement on Tariffs and Trade (GATT).

On January 1, 1990, Taiwan formally applied for GATT membership under the name "The Customs Territory of Taiwan, Penghu, Kinmen and Matsu." By applying as a separate customs territory possessing full autonomy in the conduct of its external commercial relations, Taiwan is seeking to avoid controversy over the question of its political sovereignty. Moreover, Taiwan proposes to accede to the GATT as a developed country, an action which would set a highly visible and desirable precedent for other newly industrializing countries. To date, no action has been taken on Taiwan's application.

We believe Taiwan merits support for its GATT application for a number of reasons. Among the most important are the following: Taiwan is a rapidly industrializing country that is a major player in international trade. Taiwan has liberalized its trade regime unilaterally in recent years and has been a willing participant in the Uruguay Round of trade negotiations, which is one of your Administration's top trade policy priorities. Although political factors do not enter in explicitly to GATT membership questions, it is nonetheless significant that Taiwan has moved in recent years toward an increasingly democratic political system.

We are aware that the People's Republic of China objects to Taiwan's accession to the GATT. However, we do not believe that a non-GATT member, whose own policies are the subject of such great controversy, should be in a position to influence a matter such as this. We believe that the accession of a major trading nation to the GATT and its adoption of GATT disciplines would be in the best interests of both the United States and the world trading system.

The President June 13, 1991 Page 2

We strongly urge you to support Taiwan's membership in the GATT. Thank you for your consideration of our views.

	TOTAL DE CAL TECHET
/ All	Sincerely yours,
Sam M. Abbons Member of Congress	Mill Archer
Member of Congress	Member of Congress
Jehle	Das Vandes De
Member of Congress	Guy Vander Jagt Member of Congress
Pana	- (Hill Orane
Member of Congress	Member of Congress
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Harold E. Ford Member of Congress	Bill Gradisen Member of Congress
Ed Jali	Bill Moman
Ed Jenkins Member of Congress	William M. Thomas Member of Congress
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Thomas J. Downey Member of Congress	Raymond J. McGrath Member of Congress
Frank Juaini	S Chandler
Frank J. Guarini	Rod Chardler
Member of Congress	Member of congress

The President June 13, 1991 Page 3

Frank J. Guarini Member of Congress Marty Russo Member of Congress Don J. Pease Member of Congress Next J. Matsui Robert T. Maťsui Member of Congress Beryl Anthony, Jr. Membe of Congress yron . Dorgan Member of Congress Barbara B. Kennelly Member of Congress Sander M. Levin Member of Congress

Member of Congress

Rod Chandler
Member of Congress

E. Clay Shaw, Jr.
Member of Congress

Don Sundquist
Member of Congress

Nancy I Johnson
Member of Congress

Jim Bunning
Member of Congress

Fred Grandy
Member of Congress

C0034-01

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: FEBRUARY 04, 1992

NAME OF CORRESPONDENT: THE HONORABLE RANDY "DUKE" CUNNINGHAM

SUBJECT: URGES THE PRESIDENT TO USE THE EXON-FLORIO PROVISIONS TO REVIEW THE PROPOSED SALE OF PORTIONS OF MCDONNELL-DOUGLAS TO THE TAIWAN

AEROSPACE CORPORATION

	ACTION	DISPOSITION
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

RANDY "DUKE" CUNNINGHAM AATH DISTRICT, CALIFORNIA

ARMED SERVICES COMMITTEE

MERCHANT MARINE AND FISHERIES COMMITTEE

EDUCATION AND LABOR COMMITTEE

REPUBLICAN RESEARCH COMMITTEE

CO-CHAIRMAN, TASK FORCE ON EDUCATION

TASK FORCE ON DRUGS



Congress of the United States

House of Representatives

Washington, DC 20515-0544

February 3, 1992

WASHINGTON, DC 20516 (202) 225-5452 (202) 225-2558 FAX

MARKETPLACE AT THE GROVE 3450 COLLEGE AVENUE, SUITE 220 SAN DIEGO, CA 92115 (619) 287-8851 (619) 583-5856 FAX

430 DAVIDSON STREET, SUITE A CHULA VISTA CA 91910 (619) 691-1166 (619) 691-0272 FAX



The President The White House Washington, DC 20500

Dear Mr. President:

I am writing to urge your Administration to use the Exon-Florio provisions to review the proposed sale of portions of McDonnell-Douglas to the Taiwan Aerospace Corporation. As you know, the parties have proposed selling a 40 percent stake in the commercial operations of Douglas Aircraft in exchange for an estimated \$2 billion.

I believe that this proposed deal raises grave questions about the future of our commercial aviation industry. Additionally, the potential for technology transfer could prove damaging to our national security.

In an era when many American industries find themselves disadvantaged vis-a-vis foreign competitors, commercial aviation remains one of the true bright spots in the American economy. Despite an increasing threat from subsidized competitors in Europe and elsewhere, the United States commercial aircraft industry remains the world leader.

I believe we should carefully examine the wisdom of transferring technology to a firm which is partially owned by a foreign government. Some estimates state that as many as 40,000 aerospace jobs may ultimately be moved offshore, when suppliers and subcontractors are considered. Press reports have indicated that as much as 70 percent of airframe work for the MD-12 jet may be done overseas, if the deal is completed.

The President Page Two February 3, 1992

Congress passed the Exon-Florio language precisely for situations such as the McDonnell-Douglas-Taiwan Aerospace sale. I believe it is imperative that your Administration exercise this tool. The proposed McDonnell-Douglas sale deserves careful scrutiny from your Administration. For reasons of domestic employment, technology transfer, preservation of our industrial base, and national security, I urge you to insist on a full and complete review of this transaction.

Thank you for your consideration.

Singerely,

Randy "Duke" Cunningham

Member of Congress

RDC:wll

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

CO 034-01

DATE RECEIVED: FEBRUARY 12, 1992

NAME OF CORRESPONDENT: MR. ALAN C. DAVIS

SUBJECT: EXPRESSES CONCERN REGARDING REPORTS THAT THE

USTR IS FORCING THE TAIWANESE GOVERNMENT TO WEAKEN THEIR HEALTH LAW DESIGNED TO REDUCE TOBACCO-CAUSED DISEASE AND DEATH IN TAIWAN

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

EXECUTIVE OFFICE OF THE PRESIDENT WASHINGTON 20506

March 13, 1992

MEMORANDUM FOR:

Sally Kelley

Director of Agency Liaison Presidential Correspondence

FROM:

Beverly Posey

Deputy Assistant U.S. Trade Representative

for Administration

SUBJECT:

White House Referrals

We are returning the following correspondence referred to us on February 26, 1992:

ID:

307563

MEDIA:

LETTER DATED FEBRUARY 10, 1992

TO:

PRESIDENT BUSH

FROM:

MR. ALAN C. DAVIS

CHAIRPERSON

COALITION ON SMOKING OR HEALTH

SUBJECT: TAIWANESE GOVERNMENT SMOKING LAW

Mr. Davis wrote directly to Ambassador Hills on this subject. A copy of that letter and her response is attached. We believe no further action is necessary.

Attachments

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20506

MAR 1 2 1992

Mr. Alan C. Davis Chairperson Coalition on Smoking or Health 1150 Connecticut Avenue, N.W. Suite 820 Washington, D.C. 20036

Dear Mr. Davis:

I am writing in response to your letter regarding Taiwan's proposed smoking law. I regret that your letter is based on incorrect information.

The Administration has no objections to most of the provisions of Taiwan's draft law. We fully recognize the right of each country to impose restrictions on the sale and use of all cigarettes to meet legitimate health-policy goals.

We are concerned, however, that certain provisions of the proposed law may discriminate against imported U.S. cigarettes in favor of domestic cigarettes. In a situation in which the local market for cigarettes is dominated by a state-owned monopoly, regulations that appear non-discriminatory on the surface can easily be implemented in a manner that disadvantages U.S. producers. We are obligated under U.S. trade laws and entitled by the GATT to ensure that American businesses can compete on an equal basis with foreign producers. This position is consistent with the long-standing Administration policy on cigarette exports.

You should also know that the Administration has drawn no link whatsoever between this issue and the question of Taiwan's application for GATT membership. Our position on Taiwan's GATT application was enunciated clearly by the President in a July 19 letter to Senator Baucus, in which he stated that "the U.S. has a firm position of supporting the accession of Taiwan on terms acceptable to GATT contracting parties."

Thank you for writing.

Carla A. Hills



AMERICAN LUNG ASSOCIATION The Christmas Seal People 8



Coalition on Smoking OR Health

January 21, 1992

92343015

The Honorable Carla A. Hills United States Trade Representative 600 17th Street, NW Washington, DC 20506

Dear Ambassador Hills:

We write on behalf of the American Cancer Society, the American Heart Association and the American Lung Association (united as the Coalition on Smoking OR Health), and the American Public Health Association, to request your urgent review of the positions being taken by your office in consultations between Taiwan and the United States scheduled to begin today.

Information we have obtained raises a serious concern by our organizations, and by the American Medical Association and many other organizations with which we have been in contact, that your office may be violating its publicly proclaimed commitment to carefully consider human health in matters relating to trade in tobacco products, and to refrain from taking actions which threaten to increase smoking rates. Specifically, we understand that your office is raising objections to several crucial provisions of Taiwan's landmark tobacco control law, which is now in draft form awaiting final action by Taiwan's legislature.

The objections your office is raising cannot be reconciled with the policy first articulated by your predecessor, Clayton Yeutter, in a November 21, 1988 letter to then-Surgeon General C. Everett Koop. Yeutter declared that:

We have no intention of challenging their health regulations [i.e., those of Japan, South Korea and Taiwan], or the health regulations of any other country, on tobacco products or any other products, if those regulations demonstrate a plausible concern for human health. In other words, if they are not simply a nontariff trade barrier, we'll not challenge them.

The position your office is taking with respect to Taiwan today compels us to ask whether your office officially has renounced its policy of respecting the health laws of our trading partners.

Our concern in this case arises from the strongly held belief of our organizations, and of many millions of American citizens, that health concerns should take precedence over trade concerns where addictive and uniquely harmful products such as cigarettes are involved. Cigarettes are the only commercial product that, when used exactly as intended by the manufacturer, kills approximately one-third of its users.

Background Regarding Taiwan's Proposed Tobacco Control Law

Taiwan's proposed "Law Governing the Prevention and Control of Damage from Tobacco Use" is the centerpiece of an impressive five-year plan for tobacco control by Taiwan's Department of Health. The law is based on extensive consultations with international experts in the smoking and health field. Provisions include a ban on spitting tobacco, a ban on cigarette sales through vending machines, extensive restrictions on smoking in public, an aggressive public education effort, required disclosure of tar and nicotine content, and a complete ban on direct and indirect advertising and promotion.

We have carefully reviewed an English translation of the text of the law and find that it consists entirely of basic public health measures advocated by virtually all major health organizations, including the World Health Organization. Importantly, we also note that every provision of the proposed law would apply equally to domestic and foreign brands.

It appears that the advertising and promotion ban, in particular, will be a focus of the upcoming trade consultations. There is no serious doubt among independent researchers that cigarette advertising and promotions encourage smoking initiation among children and reinforce smoking behavior among existing smokers. One advertising campaign by RJ Reynolds Tobacco Co. in the U.S., to cite a recent example, has been spectacularly effective in reaching children. Through its "Old Joe Camel" ads, the company has boosted its sales in the illegal "children's market" from \$6 million in 1987 to \$476 million per year last year, according to studies recently released by the American Medical Association. Even Advertising Age, the advertising industry's own trade magazine, acknowledged in an editorial this week entitled "Old Joe Must Go" that "Old Joe subtly encourages youngsters to smoke."

Given the overwhelming evidence of the impact that tobacco advertising and promotions have on consumption, many prominent U.S. trading partners have implemented advertising bans, including Canada, New Zealand, Singapore, Thailand, Norway, Finland, France, Italy and Spain. A majority of European Community nations favor a cigarette advertising ban.

The U.S. Should Not Interfere With Taiwan's Domestic Health Law

Despite the clear health basis for Taiwan's proposed law, your office appears to have adopted an inflexible approach toward the advertising and promotion ban and any other provision that could be argued to be inconsistent with the original beer, wine and cigarette market opening agreement signed on December 12, 1986. Further, it is our understanding that your office, along with U.S. Senators Helms and McConnell, has argued that Taiwan's desire to pass this nondiscriminatory health legislation could jeopardize Taiwan's pending application for GATT membership.

We believe the United States has an obligation to be reasonable in its negotiations with Taiwan on this issue, and to be sensitive to Taiwan's legitimate health concerns. Moreover, we wish to point out that Taiwan's proposed law is completely consistent with the GATT ruling obtained by the United States in November, 1990 to resolve similar issues involving U.S. cigarette exports to Thailand.

In that case, a neutral GATT panel came to the significant conclusion that health issues must be considered along with trade issues. The panel also determined that questions regarding the import and export of tobacco cannot be artificially separated from those concerning the health and well-being of those, particularly children and young women, targeted for addiction by the tobacco industry. The panel "accepted that smoking constituted a serious risk to human health and that consequently measures designed to reduce the consumption of cigarettes fell within the scope of Article XX(b) [providing for exceptions to GATT articles to protect human health]." The panel concluded that Article XX(b) "clearly allowed contracting parties to give priority to human health over trade liberalization." The GATT panel's conclusions and recommendations subsequently were adopted, without amendment, by the member nations of GATT.

Against this backdrop, it would be unconscionable for the United States to attempt to block Taiwan's effort to protect the health of its citizens from tobacco advertising and promotions. Such an attempt would be damaging to the standing of the United States in the world community. We believe such an attempt ultimately would fail in light of the GATT ruling, in light of

Taiwan's strong commitment to enacting this law, and in light of the overwhelming support for Taiwan's position from the international health community.

Conclusion

USTR is on record as taking the following positions in congressional testimony, correspondence and media appearances:

- that it is extremely sensitive to health concerns, and will not oppose legitimate measures by another country to protect the health of its citizens;
- 2) that it seeks only nondiscriminatory "national treatment" for American products;
- 3) that the controversial effort to require Asian nations such as Taiwan to allow advertising and promotion of U.S. cigarette brands is defensible as a temporary measure to speed market penetration only during the first several years of access by U.S. brands.

It appears from our information that your office is on the verge of violating each of these basic understandings in the upcoming trade consultations with Taiwan. We urge you to review the positions your staff is taking in this case and to provide us with reassurances that the understandings we have outlined above remain in force.

We also would be interested in learning about the extent to which the Department of Health and Human Services participated in the apparent decision to challenge Taiwan's tobacco control law, and the extent to which your office has solicited and considered independent data on smoking trends and brand preferences in Taiwan, particularly among children and traditionally nonsmoking women, in the course of its deliberations.

Evidence that your office is acting on the basis of information on health issues supplied by the cigarette industry without soliciting input from the health community is one of the most disturbing aspects of this case. The cigarette industry is a singularly inappropriate source for information on the relationships between smoking, cigarette marketing practices, and human health.

We are hopeful that, upon review, your office will consider the serious health issues involved and acknowledge the fundamental right of Taiwan under international law to enact and enforce its domestic health laws on a national treatment basis. We urge you to raise no objections to Taiwan's proposed tobacco control law and to allow its speedy passage and implementation.

We look forward to hearing from you soon.

Sincerely,

Alan C. Davis

Chairperson

Coalition on Smoking OR Health Vice President for Public Issues

American Cancer Society

Penn Du Malla

Deputy Managing Director American Lung Association cott D. Ballin

Legislative Counsel and

Vice President for

Public Affairs

American Heart Association

William H. McBeath, MD, MPH

Executive Director

American Public Health

Association

307563







Coalition on Smoking OR Health 1150 Connecticut Avenue, N.W. Suite 820 Washington, D.C. 20036 202-452-1184

February 10, 1992

The President The White House Washington, DC 20500

Dear Mr. President:

On behalf of the American Cancer Society, the American Heart Association and the American Lung Association (united as the Coalition on Smoking OR Health), and the American Public Health Association, we wish to bring to your attention disclosures made in media reports this week concerning attempts by the Office of the U.S. Trade Representative (USTR) to force the government of Taiwan to weaken an ambitious health law designed to reduce tobacco-caused disease and death in that nation. We believe this matter merits your urgent attention.

Because of the unique health hazards of tobacco, we call on you to ensure that no trade action involving the export of cigarettes be taken without review and approval by the Secretary of the Department of Health and Human Services (HHS). We strongly believe that this is the only responsible position for your Administration to take in dealing with a product that the World Health Organization estimates will kill 500 million men, women and children by the middle of the next century.

Disclosures this week in the Legal Times include the following:

- * USTR officials admitted to the media that their position in negotiating with Taiwan is based on information on crucial health issues supplied to them by the U.S. Cigarette Export Association.
- * Dr. Louis Sullivan, Secretary of Health and Human Services, disclosed through a spokesperson that he has not been consulted on the health issues involved in this case.
- * A leading GATT law expert and former General Counsel to USTR under President Nixon has reviewed documents related to this case and stated for the record his sense that Taiwan probably would prevail if this case were brought before GATT.

Together, these disclosures confirm our fears that reliable data from U.S. health experts has been excluded in this case and that cigarette industry information is being relied upon in its place. The result is that USTR has adopted a one-sided, legally untenable position and is using tobacco industry arguments long discredited by the health community, including our own government's Department of Health and

President George Bush February 10, 1992 Page 2

Human Services. Accepting information about smoking and health from an industry that still refuses to admit that cigarette smoking causes cancer, heart disease, and emphysema makes a mockery of any pretense that health issues are being considered.

We wish to emphasize that cigarettes are not, as the industry argues, just another legal product for export. They are a lethal and addictive drug which is one of the leading causes of preventable death in the world. Strong action must be taken soon to curb the smoking epidemic.

For these reasons, we call on you to allow Taiwan to exercise self-determination regarding health protection from tobacco-related disease and to allow its government to pass tobacco control legislation without interference from USTR. In the case of this uniquely deadly product, health and trade considerations must be weighed in concert with honest, comprehensive input from our country's preventive medicine experts.

We urge you to direct USTR to defer to HHS on the health issues involved in this case and others like it, and to let our organizations and the American public know what specific steps you are taking to address this situation.

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Thank you for your attention to this matter. We respectfully request that your office respond to us directly, as we have written a separate and more detailed letter to Ambassador Hills (copy attached). We are prepared to discuss the issues we have raised in greater detail with you or your staff at any time. We look forward to your reply.

Sincerely,

Alan C. Davis Chairperson

Coalition on Smoking OR Health Vice President for Public Issues

Man C. Davis

American Cancer Society

Fran Du Melle

Deputy Managing Director American Lung Association Legislative Counsel and

Vice President for

Public Affairs

American Heart Association

William H. McBeath, MD, MPH

Executive Director

American Public Health Association







Coalition on Smoking OR Health

January 21, 1992

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We look forward to hearing from you soon.

Sincerely,

Alan C. Davis Chairperson

Coalition on Smoking OR Health Vice President for Public Issues American Cancer Society

Fran Du Melle
Deputy Managing Directo

Deputy Managing Director American Lung Association Scott D. Ballin

Legislative Counsel and

Vice President for

Public Affairs

American Heart Association

William H. McBeath, MD, MPH

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Executive Director

American Public Health

Association

DICEOCKETON

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

A OWLOW

INCOMING

CO 034-01

DATE RECEIVED: FEBRUARY 14, 1992

NAME OF CORRESPONDENT: MR. JOHN CHEN

SUBJECT: REQUESTS THAT THE GOVERNMENT IN TAIWAN

ABOLISH ITS BLACKLIST POLICY AND RELEASE

ALL OPPOSITION LEADERS AND POLITICAL

PRISONERS

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

台灣人公共事務會

Formosan Association for Public Affairs

538 7TH STREET S.E., WASHINGTON, D.C. 20003 TEL: (202) 547-3686 FAX: (202) 543-7891

The Honorable George H.W. Bush The White House 1600 Pennsylvania Avenue Washington, D.C. 20500

February 8, 1992

Dear Mr. President:

In preparation for last December's elections in Taiwan, Taiwan's Kuomintang (KMT) government cracked down on advocates of democracy and self-determination in Taiwan.

Four leaders of the Taiwan Independence movement, George T. Chang, Kang-lu Wang, Pei-Hung Kuo and Ying-Yuang Lee, all in exile in the United States, attempted to return to Taiwan, but were arrested by authorities. They, along with opposition leaders Chiang Kai-She, Su Lung-Chun, Chou Wu-Chien and Liu Yung-Sheng are being held on charges of "sedition" for advocating Taiwan's independence.

The KMT government has blacklisted many supporters of human rights and democracy. This policy bars native Taiwanese from returning to their homeland. According to the State Department, in the first eight months of 1990, over 5.000 people, from respected scholars to Taiwanese attempting to visit relatives and friends, were denied entry into Taiwan on "security" grounds.

This unjust and intolerable policy of blacklisting must end. It is in direct violation of international agreements such as the Universal Declaration of Human Rights, of which the KMT was a signatory. More importantly, it violates all moral and humanitarian standards.

I feel it is imperative that a stronger stand be taken at this time. I urge you to request that the government in Taiwan abolish its blacklist policy and release all opposition leaders and political prisoners. Only then can democracy, which is based on the inclusion rather than exclusion of competing views, be truly possible in Taiwan.

The Formosan Association for Public Affairs (FAPA) is a Washington-based non-profit organization that promotes freedom, human rights and democracy for the people of Taiwan.

Sincerely,

John Chen

President of FAPA

THE WHITE HOUSE WASHINGTON

May 21, 1992

Dear Mr. Chen,

On behalf of President Bush, I would like to thank you for your letter requesting that the government in Taiwan abolish the blacklist policy and release all opposition leaders and political prisoners. Please accept my apologies for the delay in its reply. Rest assured that your comments have been shared with the appropriate individuals and have been given the greatest review and consideration.

Again let me thank you on behalf of the President for sharing your thoughts with us on this important issue.

Sincerely,

Jim Schaefer
Associate Director
Office of Public Liaison

Mr. John Chen President Formosan Association of Public Affairs 538 7th Street, SE Washington, DC 20003 Baltimore, MD 21201

00034-01

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: MAY 06, 1992

NAME OF CORRESPONDENT: THE HONORABLE STEVE SYMMS

SUBJECT: FOLLOW-UP TO HIS MEETING WITH THE PRESIDENT

CONCERNING RAISING THE LEVEL OF U.S.

DIPLOMACY WITH TAIWAN

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



United States Senate

WASHINGTON, DC 20510

May 1, 1992

The President The White House Washington, D.C. 20500

Dear Mr. President,

Many thanks for taking the time to meet with me to discuss raising the level of diplomacy with the Republic of China on Taiwan.

We should start the policy that rewards Taiwan's efforts and accomplishments on democratic reform and political liberalization. An upgrade of diplomatic exchanges would be a good start.

This could include a relaxation of restrictions of highlevel visits from the United States, or allowing office calls at the State Department and the White House (ie. Vice President Quayle or Secretary Baker to Taiwan). A more low-profile reward can be allowing CCNAA officials to hold diplomatic license plates, or including the CCNAA representative in the State Department functions for the diplomatic corps.

This is important, not only because it is the right thing, but also because it will gain the respect of the PRC, and will encourage them to be more sensitive to human rights and personal property rights. Another important factor is that it could be beneficial with the Asian-American vote in the upcoming election, not to mention will guarantee MFN for PRC--

Thanking you, I am

With respect,

Yours for a free sociey,

STEVE SYMMS

United States Senator

SS/sas

P.S. Many thanks for the tour of your quarters - that was a first and a real treat -

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: MAY 13, 1992

CO034-01

NAME OF CORRESPONDENT: THE HONORABLE CHRISTOPHER L. KOCH

SUBJECT: TRANSMITS A COPY OF THE ORDER DISCONTINUING PROCEEDING REGARDING ACTIONS TO ADDRESS ADVERSE CONDITIONS AFFECTING U.S. CARRIERS

IN THE U.S. / TAIWAN TRADE

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
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Federal Maritime Commission Washington, B.C. 20573

May 13, 1992

The Honorable George Bush President The White House Washington, D.C. 20500

Dear Mr. President:

This letter constitutes notification to you pursuant to the requirements of section 10002(e)(3) of the Foreign Shipping Practices Act of 1988, 46 U.S.C. app. 1710a(e)(3) ("FSPA"), that the Federal Maritime Commission ("Commission") has made findings of adverse conditions in the course of an FSPA investigation of the United States/Taiwan oceanborne trade. Specifically, the Commission found that Taiwan laws prohibit U.S. ocean carriers in the Trade from performing their own trucking in Taiwan, that this restriction adversely affects the operations of U.S. carriers in the Trade, and that no such conditions exist for Taiwan carriers in the United States.

The Commission did not, however, exercise its authority to impose sanctions to offset these adverse conditions, upon consideration of the totality of the circumstances, including the recommendations of the two U.S.-flag carriers, whose interests the FSPA and the Commission proceeding sought to protect. The U.S. carriers, American President Lines, Ltd., and Sea-Land Service, Inc., advised that sanctions at this time were "unwarranted by commercial and operational circumstances". The Commission also took cognizance of the facts that Taiwan satisfactorily resolved some of the issues raised in the proceeding; and that efforts to address the trucking restriction are pending in the Taiwan legislature. The Commission will continue to monitor the situation and to require reports on trade conditions in order to assess the need for further consideration of sanctions.

Section 10002(e)(3) of the FSPA provides that the Commission notify the President of its determinations in FSPA proceedings and that the President may disapprove the Commission's determination

¹ The FSPA at section 10002(e)(1) requires the Commission to take such action as it considers necessary and appropriate against the foreign carriers whose government has created the conditions, in order to offset those conditions. Possible sanctions include limitations on sailings, suspension of tariffs (thereby precluding the vessels' operations at U.S. ports) and fees of up to \$1,000,000 per voyage.

within ten days if required for reasons of national defense or foreign policy.² This provision was primarily intended to enable the President to set aside sanctions which might be proposed by the Commission. No such sanctions are being proposed in this instance. Nevertheless, the matter is being referred to your attention in the event the Commission's findings of the adverse conditions themselves warrant disapproval for purposes of national defense or foreign policy.

A copy of the Commission's Order Discontinuing Proceeding is enclosed. Enclosed as well is a copy of the Order Requiring Information issued this date which will keep the Commission apprised of developments which may require further action.

Sincerely,

Christopher L. Koch

Chairman

Enclosures

² Section 10002(e)(3) states:

⁽³⁾ Before a determination under this subsection becomes effective or a request is made under subsection (f) of this section, the determination shall be submitted immediately to the President who may, within 10 days after receiving such determination, disapprove the determination in writing, setting forth the reasons for the disapproval, if the President finds that disapproval is required for reasons of the national defense or the foreign policy of the United States.

(S E R V E D) (May 13, 1992 (FEDERAL MARITIME COMMISSION)

FEDERAL MARITIME COMMISSION

DOCKET NO. 91-44

ACTIONS TO ADDRESS ADVERSE CONDITIONS AFFECTING UNITED STATES CARRIERS IN THE UNITED STATES/TAIWAN TRADE

ORDER DISCONTINUING PROCEEDING

This investigation under the Foreign Shipping Practices Act of 1988, 46 U.S.C. app. § 1710a ("FSPA"), was commenced on October 11, 1991, by Notice and Order of Investigation ("1991 Order") of the Federal Maritime Commission ("FMC" or "Commission"). The proceeding was initiated to determine whether conditions exist adversely affecting the operations of United States carriers in the United States/Taiwan trade ("Trade") but which do not exist for Taiwan carriers in the United States.

BACKGROUND

The 1991 Order designated five major issues: (1) the operation of off-dock container terminals being subject to land area and third-party container handling restrictions; (2) prohibitions on U.S. carriers obtaining trucking licenses; (3) requirements that chassis registration include listing the authorized user of the chassis, which user may not be a U.S. carrier; (4) problems in the processing of U.S. carrier applications for authority to lease empty containers or to engage in the business of leasing containers; and (5) requirements that

applicants for licenses to operate a shipping agency in Taiwan must first produce contracts with intended customers.

Named as parties were Evergreen Marine Corporation ("Evergreen") and Yangming Marine Transport ("Yangming") as Taiwan carrier parties (collectively, "Taiwan Carriers"), American President Lines, Ltd. ("APL") and Sea-Land Service, Inc. ("Sea-Land") as United States carrier parties (collectively, "U.S. Carriers"), and the Commission's Bureau of Hearing Counsel ("Hearing Counsel"). The 1991 Order set dates of November 15, 1991, for receipt of initial affidavits and memoranda; December 16, 1991, for replies; and February 13, 1992, for the Commission's decision.

On February 12, 1992, the Commission issued an Order Extending Proceeding ("Extension Order"), invoking section 10002(c)(2) of the FSPA and extending until May 13, 1992, the date by which a decision is due. The Extension Order noted that by the time initial and reply submissions were received, a substantial amount of progress appeared to have been achieved toward alleviation of possible adverse conditions. See Extension Order, at 2-3. Some of the issues were reported by the Carriers as resolved, and others as not currently creating adverse effects.

The trucking issue (and the related chassis registration issue) remained unresolved, however, even upon receipt of a status report from Hearing Counsel and replies thereto from the carrier parties. The Commission was informed that a corrective amendment to Taiwan's Highway Trucking Law was pending, and had been or was

about to be presented by the Executive Yuan to the Legislative Yuan as part of the legislative process. There was also some degree of confusion stemming from the unavailability of an official translation of the proposed amendment, and from certain language in the unofficial translation of the amendment limiting the scope of a foreign carrier's authorized trucking operations to "containers shipped by its own vessels." In extending the proceeding by 90 days, the Commission sought clarification of these concerns and developments.

SUPPLEMENTAL SUBMISSIONS

U.S. Carriers

The U.S. Carriers' joint supplemental filing explains that they have no immediate plans to conduct trucking operations in Taiwan even if the Highway Law amendment is enacted. Nevertheless, they would like the <u>ability</u> to conduct trucking operations to bolster their negotiating position with Taiwan contractors, and for emergency purposes. They state their understanding that Taiwan's Executive Yuan approved an amendment to the Highway Law which would meet both of these objectives.

They base this conclusion on an <u>unofficial</u> translation of the amendment provided by the American Institute in Taiwan ("AIT"). That translation states that the prohibition on foreign trucking does not apply to "branch offices of foreign maritime carriers . . . [which] may have their own vehicles to transport their own sea containers" if such rights are reciprocated by the respective

foreign governments. Licenses to conduct such operations must first be obtained. The exemption applies to a carrier's "own export and import sea containers," and excludes "containers of other maritime carriers transported on its vessels." The translation also indicates that "legislative history" provides that "own containers" includes "full and empty containers owned or leased by the carrier for use in transporting its own cargo."

The U.S. Carriers refer to meetings held in late March ("March Discussions") among AIT, the Taiwan Ministry of Transportation and Communication ("MOTC"), and the affected carriers. They relate that AIT demanded of Taiwan officials "full parity" with the treatment of Taiwan carriers in the U.S., and suggested that a phased liberalization of trucking restraints over one year "might be acceptable to the U.S. Government."

The U.S. Carriers explain that their "unique business position in Taiwan is largely satisfied" by the amendment, even with the limitation to the carriers' "own" containers. They state that this falls short of the U.S. Government's goal of full parity, which they believe would be consistent with the purpose of the FSPA. The U.S. Carriers express their support of U.S. Government and FSPA objectives, but emphasize that their own more limited objectives in Taiwan have been met by the proposed amendments to the Highway Law.

The U.S. Carriers therefore conclude that sanctions are "unwarranted by commercial and operational circumstances." They suggest that seeking full parity be viewed as a continuing process, and that "commercially important reforms that are achievable" be

accepted in the short term. The U.S. Carriers express confidence that the Commission can use the FSPA or section 19 of the Merchant Marine Act of 1920, 46 U.S.C. app. § 876, expeditiously if necessary, and recommend that this proceeding be discontinued without the imposition of sanctions.

Taiwan Carriers

Evergreen relates that at the March Discussions, "The MOTC agreed to revise the then proposed amendment to the Highway Law to enable a U.S. carrier to operate a trucking service in Taiwan to carry its own containers transported either on its own vessels or by it on slot charter vessels." Evergreen reports that AIT originally agreed to provide an English translation of the amendment but then advised that it would not do so; Evergreen has supplied a copy of the amendment and an "explanation", both in Chinese, which were provided it by MOTC. Evergreen relays MOTC's information that the revised amendment was approved by the Executive Yuan and is scheduled to be submitted to the Legislative Yuan shortly.

Evergreen concludes that as "meaningful progress continues to be made," the proceeding should be terminated without sanctions. It reiterates that there is no evidence in the record of any harm to the U.S. Carriers.

Yangming includes in its submission a translation of the Highway Law amendment as "re-revised" to reflect the March Discussions. Yangming's translation was purportedly obtained "from the Taiwan attorneys for APL, Messrs. Tsar & Tsai," and differs in

wording from that APL and Sea-Land submitted as received from AIT. Yangming interprets the net effect of the amendment as permitting the U.S. Carriers to truck containers moved pursuant to their own bills of lading. Yangming reports that this revision of the amendment is to be submitted to the Legislative Yuan on March 28, 1992. Yangming also reports that APL has not as yet taken advantage of the concessions made by Taiwan to facilitate its obtaining a license to conduct shipping agency operations.

Yangming argues that Taiwan has negotiated in good faith and has met every demand made by the U.S. Carriers, including proposals to revise the Highway Law to allow the U.S. Carriers to carry their own containers. Yangming contends that the U.S. Carriers never expressed an interest in trucking other carriers' containers, and that Taiwan cannot be faulted for not having corrected this newly raised issue, although the MOTC has agreed to consider the matter. 1

Sanctions have not been justified, Yangming contends, because all of the issues which were raised in inter-governmental consultations in 1989 have now been the subject of Taiwan concessions. Yangming also notes the unanimity of the carriers on both sides of this case that sanctions not be imposed, and cites the Commission's declining to issue sanctions in FMC Docket No. 91-

Yangming also criticizes the U.S.' alleged refusal to address requests made by Taiwan in 1989, and cites "a certain inconsistency between what the U.S. side practices compared to what it preaches." Taiwan reportedly has unsuccessfully been seeking a Jones Act exception to permit Taiwan carriers to transship foreign cargoes between U.S. ports in the event of storms, strikes or other emergencies, and permission to ship U.S. EXIM Bank-financed merchandise in the same manner as Taiwan permits U.S. carriers access to all merchandise financed by Taiwan's EXIM Bank.

31, Actions to Address Adverse Conditions Affecting United States
Carriers in the United States/People's Republic of China Trade, and
Docket No. 91-24, Actions to Adjust or Meet Conditions Unfavorable
to Shipping in the United States/Korea Trade, although some minor
issues remained unresolved in those proceedings. It is unfair,
Yangming asserts, to subject the Taiwan Carriers to possible
economic ruin on the basis of allegedly unsupported allegations of
economic disadvantage.

Yangming also attacks the proceeding itself as "Kafkaesque," stating that the accused are prevented from facing their accusers or presenting a defense or testing the validity of the accusations. Yangming is also critical of the fact that the Commission has not participated in the negotiations and that instead it finds AIT, a "quasi official representative" of the U.S., "negotiating with a Ministry of the elected government of a country which for geopolitical reasons the United States refuses to recognize."

Hearing Counsel

Hearing Counsel notes that AIT's demand for full liberalization of trucking remains unmet, and that there has been no action by the Executive or Legislative Yuan completely opening trucking opportunities for the U.S. Carriers. Hearing Counsel notes that Taiwan authorities have not honored AIT's requests for an official translation or interpretation of the proposed amendment.

Hearing Counsel concludes that inasmuch as full liberalization on trucking has not been achieved or agreed to, the U.S. Carriers

are adversely affected by this restriction within the meaning of the FSPA. Therefore, Hearing Counsel states, the Commission should impose sanctions as the Commission "considers necessary and appropriate." Hearing Counsel does not discuss or recommend any specific sanction, but refers to the sanctions provision of the FSPA.

SUPPLEMENTAL REPLIES

U.S. Carriers

APL advises that as of April 6, 1992, AIT reports no further communications from MOTC in response to AIT's request for a commitment to full parity for U.S. carriers. Sea-Land did not file a supplemental reply.

Taiwan Carriers

Evergreen states that the trucking issue is the only designated matter not wholly resolved, and that the Highway Law amendment has been pending before the Legislative Yuan since March 27, 1992. It contends that Hearing Counsel's "lonely voice calling for sanctions" is unsupported by evidence of harm. AIT's apparent dissatisfaction with Taiwan's unwillingness to fully liberalize trucking is not a basis for sanctions under the FSPA, Evergreen argues: "The mere fact that AIT has requested greater reforms than necessary to meet the U.S. Carriers' needs provides no basis for the imposition of sanctions under the FSPA." Evergreen notes that the U.S. Carriers themselves concede they have no immediate plans to conduct trucking operations, and argues that the alleged

"indirect value" of trucking authority is unsubstantiated and meaningless.

Evergreen reports that it understands that MOTC's response to AIT has been prepared but not as yet transmitted. Evergreen presents what it describes as a "rough summary translation" of the expected response, a Chinese language copy of which Evergreen has obtained. Evergreen claims that this response demonstrates that Taiwan is making real effort toward a legislative solution, and that AIT's dissatisfaction with such is irrelevant. Evergreen's translation of the prepared MOTC response refers to the demand for U.S. Carrier authorization to carry third-party cargo as a new request which is not under the scope of this proceeding. MOTC also reportedly claims that U.S. Carriers enjoy better treatment than the Taiwan Carriers in Taiwan, in that they, and not the Taiwan Carriers, are permitted to own port operating equipment.

Finally, Evergreen notes that in Dockets Nos. 91-31 and 91-24, the Commission discontinued the proceedings on the basis of commitments made and substantial progress achieved, and did not require the actual effectuation of full liberalization.

Yangming cites the U.S. Carriers' supplemental submissions and questions how Hearing Counsel can ask for sanctions when the U.S. Carriers themselves state that sanctions are unwarranted. Yangming also submits its own "English synopsis" of MOTC's reputed response to AIT, and emphasizes MOTC's assertion that third-party container trucking is an issue only newly raised by the U.S. side. Yangming declares Hearing Counsel's demand for sanctions an "overreaction,"

arguing that Taiwan has complied with 90% of the U.S. Carriers' demands, and the U.S. has complied with none of Taiwan's requests.

Hearing Counsel

Hearing Counsel reiterates its complaint that Taiwan has not responded to AIT's requests, and that no official translation or interpretation of the Highway Law amendment has been provided by Taiwan. Hearing Counsel points out that each of the carrier parties translates and describes the effect of the purported Highway Law amendment somewhat differently. Under any interpretation, Hearing Counsel asserts, there is a limitation on trucking authority which precludes full liberalization. This limitation allegedly constitutes a competitive disadvantage and an adverse effect in violation of the FSPA which Hearing Counsel concludes justify unspecified sanctions.²

DISCUSSION

As was the case when the Commission determined in February to extend this proceeding for 90 days, the only unresolved issue remains that of trucking rights. For the reasons set forth below, the Commission determines that the continued existence of restrictions on the U.S. Carriers' trucking capabilities constitutes an adverse condition within the meaning of the FSPA, but that no sanctions are necessary and appropriate at this time.

² Additional submissions filed by Taiwan Carriers and AIT as recently as May 11, 1992, were received too late for Commission consideration.

Adverse Conditions

The significance of the proposed Highway Law amendment remains unsettled and unclear as to the ability of the U.S. Carriers to truck containers from their own vessels and from vessels they charter due to the fact that (1) no official translation of the amendment has apparently been prepared; and (2) the amendment is still pending in the Legislative Yuan.

Despite the lack of an official translation, the unofficial translations and analyses of the amendment suggest that the proposed law would permit U.S. Carriers (by virtue of the reciprocal authority in the U.S.) to engage in trucking operations for containers carried on their own vessels or containers from vessels they charter. Hearing Counsel notes that the English translations of the amendment vary somewhat, as do the parties' descriptions of the amendment's effects. The Commission finds nothing either surprising or disturbing about such differences, however, and would in fact consider it odd if parties independently employed identical language in interpreting and analyzing the amendment. Of greater significance is that the unofficial translations support the carrier parties' expressed view that the proposed law, which was revised to accommodate concerns expressed in the March Discussions, would allow the U.S. Carriers to engage in the type of trucking operation they have long sought.

The question of whether the proposed amendment would encompass cargo from chartered vessels also appears to have been clarified to

all the parties' satisfaction. The U.S. Carriers state regarding the AIT-furnished translation that it

appears to be clear on its face that a U.S. carrier could obtain a trucking business license and, having done so, could truck its own loaded or empty, owned or leased containers, whether or not transported on its own vessels or the vessels of another carrier.

Thus, although an official and definitive reading of the proposed amendment is desirable, the Commission will in this instance rely on the translations provided and the U.S. Carriers' satisfaction therewith.

The Commission's finding of adverse conditions, however, devolves from the failure of the proposal to become enacted by the legislature. The record does not enlighten as to the time frame in which, or procedure by which, the amendment will become law. The Taiwan Carriers state only that MOTC intends to apply pressure to achieve expedited legislative review.

The Taiwan Carriers characterize the referral of the amendment by the Executive Yuan to the Legislative Yuan as Taiwan's having met its commitments. The FSPA, however, does not define laws of foreign governments to include only executive branch acts vis-a-vis legislative ones. The MOTC may have fully met its commitments, and the success of its efforts may be at the mercy of the legislative process. But the restrictive practices at issue continue to have the force of law, and none of the parties to this investigation can predict or have even ventured to predict when a corrective amendment to this law will be effective.

The prior FMC foreign shipping practices proceedings cited by the Taiwan Carriers are consistent with the Commission's finding herein. In Docket No. 91-31, the U.S. Carriers essentially abandoned their trucking rights issue and argument. Here, trucking authority has been pursued aggressively. In Docket No. 91-24, there were precise timetable commitments made by Korea actually to ease the restrictive practices at issue and a partial implementation of these commitments. Here, the commitments made were only to refer the matter for legislative action. Actual enactment of a repeal of the restrictions was not promised by MOTC, nor does it appear that it could be.

The Commission is cognizant of the indirect nature of the adversity alleged by the U.S. Carriers to arise from the restrictive trucking laws. The U.S. Carriers, as the Taiwan Carriers point out, state that they do not intend to engage in regular trucking operations in Taiwan even if the restrictions are removed. Rather, the U.S. Carriers seek trucking authority in case of an emergency situation (such as labor disruptions) and, more importantly, to provide them greater leverage and a better bargaining position when negotiating a contract with Taiwan trucking companies.

Although indirect in nature and inherently unquantifiable, the disadvantage occasioned by the U.S. Carriers' inability to perform their own trucking is undeniable. The current prohibitions on the U.S. Carriers have the effect of guaranteeing the Taiwan trucking companies with whom the U.S. Carriers are forced to contract, that

they, or some other Taiwan trucking company, will eventually win the right to truck the U.S. Carrier cargo. The restrictions ensure that the Taiwan trucking companies need not factor into their negotiating strategies the possibility that the U.S. Carriers will choose to perform their own trucking. This adversely impacts the intermodal operations of U.S. Carriers in Taiwan in a manner not experienced by Taiwan Carriers in their operations in the United States. Taiwan Carriers are free to operate their own trucking companies in the United States and therefore have considerable leverage should they choose to contract out for trucking services. Such disparity in laws and practices is well within the objectives of the FSPA, and the Commission has no difficulty in concluding that that statute's criteria under section 10002(b) have been met.

The Commission is not reaching the issue of whether the restriction on U.S. Carriers' ability to truck containers of other carriers constitutes an adverse condition under the FSPA. The proposed Highway Law amendment does not appear to address this prohibition. It is uncontroverted in the record that no effort has been made to date on Taiwan's part to liberalize trucking fully so as to permit third-party container trucking. The parties disagree, however, on the extent to which this is a legitimate issue, is timely and fairly raised, and is appropriately within the scope of this proceeding.

As the Taiwan Carriers point out, unlike the other issues designated in this investigation, trucking of third-party containers was not embraced as an issue by the U.S. Carriers until

very recently. The focus of the U.S. Carriers' complaints appears to have been the right to carry their own cargo, with a related issue being whether "own" cargo includes cargo from chartered vessels. The Taiwan Carriers contend that Taiwan has had little or no notice that there was an interest in third-party container trucking authority, and maintain that it is not fair to expect Taiwan to meet these concerns within the time frame of an FSPA proceeding. Third-party authority, they argue, is more an issue advanced by AIT than a legitimate interest of the U.S. Carriers, and as such, should not be an issue in the FSPA proceeding.

Although the 1991 Order's presentation of the trucking issue may be somewhat ambiguous as to whether the Commission's interest in trucking operations extended to third-party containers, that order was referring to the U.S. Carriers' right to truck their own containers, and not to enter the trucking business in general. The U.S. Carriers' submissions earlier in this proceeding contained no suggestion that they were interested in third-party container trucking. And their more recent submissions emphasize the distinction between their actual business objectives and the "full parity" which they describe as being the goal of the U.S. Government.³

Moreover, the record in this proceeding does not include evidence of the effect of this aspect of the limitation on trucking authority. APL's harm data does not appear to be based on the absence of third-party container traffic. The responses to information demand orders received in April 1991, on which the instant FSPA proceeding was partially based, refer to U.S. Carriers' "own inland container movements." See e.g., APL's April 30, 1991, submission, which has been made part of this investigation.

The Commission will not, accordingly, reach findings as to whether the absence of <u>full</u> liberalization of trucking authority, beyond that sought throughout this proceeding by the U.S. Carriers, constitutes an adverse condition within the meaning of the FSPA. Such findings were not with the scope of this investigation, and would in any event be tangential to the thrust of the U.S. Carriers' expressed interests. We note, however, that third-party container authority would appear to be essential to achieving full efficiency in trucking operations. The Commission will monitor this issue in the coming months and expects the U.S. Carriers to advise us should they believe Commission attention to the matter is warranted.

Sanctions

More difficult than the finding of adverse conditions is the determination under section 10002(e) of the FSPA whether FMC actions are necessary and appropriate to offset those conditions. Although the trucking restrictions at issue continue to remain in effect, the Commission is not persuaded of the necessity and appropriateness of sanctions given the mitigating circumstances discussed above, and particularly in light of the U.S. Carriers' own recommendations.

The U.S. Carriers' joint supplemental filing rather deliberately distinguishes the policy goals of AIT from the Carriers' own "achievable" goals which they state are "largely satisfied." The U.S. Carriers' position is obviously based on the assumption that the proposed Highway Law amendment will be enacted

and will be implemented consistent with the more optimistic interpretations of its intent and effect. That assumption has yet to be realized. At the same time, sanctions are necessarily disruptive, and could offset the liberalizations expected as well as preclude others to come. The indirect nature of the adverse conditions found to exist in the Trade does not warrant, we believe, the imposition of such actions at this time. That the U.S. Carriers report they do not intend to operate their own trucking companies does not negate the existence of the adverse impact occasioned by Taiwan's trucking restrictions, but the limited extent of the harm does have a bearing on whether there is a need for offsetting measures.

The Commission will therefore adopt the recommendations of the affected carriers in this proceeding that sanctions are "unwarranted" at this time. The Commission is swayed as well by the satisfactory resolution of the majority of the issues raised in this proceeding and the pendency of the apparently corrective legislation on the remaining issue. We are further persuaded by the reminder of the U.S. Carriers that the Commission has ample means to revisit these matters expeditiously if necessary, on its own motion or by petition.

To this end, the Commission intends to remain abreast of conditions in the Trade which may have implications under the FSPA or section 19 of the Merchant Marine Act, 1920, 46 U.S.C. app. § 876. By separate Order Requiring Information issued this date pursuant to section 10002(d) of the FSPA, the Commission is

requiring the U.S. Carriers and Taiwan Carriers to report further on shipping conditions in the Trade in six months' time. If any time prior to that date, any party wishes to alert the Commission of developments on other issues which were raised in this investigation, it is encouraged to do so.

THEREFORE, IT IS ORDERED, That this proceeding is discontinued.

By the Commission.

Joseph C. Polking

Secretary

(S E R V E D) (May 13, 1992) (FEDERAL MARITIME COMMISSION)

FEDERAL MARITIME COMMISSION

LAWS, RULES, REGULATIONS, POLICIES AND PRACTICES OF TAIWAN AFFECTING SHIPPING IN THE UNITED STATES/TAIWAN TRADE

ORDER REQUIRING INFORMATION

By this Order issued pursuant to section 10002(d) of the Foreign Shipping Practices Act of 1988, 46 U.S.C. app. 1710a ("FSPA"), the Federal Maritime Commission ("Commission") directs the named United States and Taiwan ocean common carriers to report on certain shipping conditions in the United States/Taiwan trade ("Trade"). The Commission is concerned about the continued existence of conditions unfavorable to shipping in the Trade arising from Taiwan laws, rules or regulations or from competitive methods or practices employed by Taiwan carriers, and whether such laws, rules, regulations, policies or practices adversely affect

¹ Section 10002(d), 46 U.S.C. app. 1710a(d), states in relevant part:

⁽d) INFORMATION REQUESTS.--(1) In order to further the purposes of subsection (b) of this section, the Commission may, by order, require any person (including any common carrier, shipper, shippers' association, ocean freight forwarder, or marine terminal operator, or any officer, receiver, trustee, lessee, agent or employee thereof) to file with the Commission any periodic or special report, answers to questions, documentary material, or other information which the Commission considers necessary or appropriate. The Commission may require that the response to any such order shall be made under oath. Such response shall be furnished in the form and within the time prescribed by the Commission.

² The named carriers are American President Lines, Ltd. and Sea-Land Service, Inc. (collectively, "U.S. Carriers"), Evergreen Marine Corporation and Yangming Marine Transport.

the operations of U.S. carriers in the Trade which do not exist for Taiwan carriers in the United States. <u>See</u> section 10002(b) of the FSPA, 46 U.S.C. app. 1710a(b). A report from each of the named carriers is to be submitted to the Commission on or before November 13, 1992. The information provided will be used to determine whether proceedings pursuant to the FSPA or other statutes administered by the Commission are warranted.

By separate Order Discontinuing Proceeding issued this date in Docket No. 91-44, Actions to Address Adverse Conditions Affecting United States Carriers in the United States/Taiwan Trade, the Commission concluded an FSPA investigation of the Trade by finding that certain adverse conditions do exist within the meaning of section 10002(b), and that no actions on the part of the Commission to offset such conditions were necessary and appropriate. The Commission advised that it would continue to monitor events in the Trade and that to this end an Order Requiring Information would be issued with responses due in six months.

While most of the issues raised in that proceeding were resolved to the apparent satisfaction of the U.S. Carrier parties, the issue on which the finding of adverse conditions was based was that of U.S. Carrier trucking rights. Legislation to liberalize restrictions on the U.S. Carriers' ability to engage in their own trucking operations in Taiwan remained pending at the close of the FSPA investigation. There was uncertainty not only as to the timing of the enactment of the legislation, but also regarding the actual meaning and interpretation of the proposed legislation, an

official translation of which has not been made available to the Commission.

Thus, the carriers named herein are instructed to report to the Commission on any laws, rules, regulations, policies or practices which operate to prevent U.S. carriers from engaging in their own trucking operations. The carriers are also instructed to report on any developments relating to restrictions on U.S. carriers' ability to truck the containers of other carriers. Any other issues or developments relating to conditions in the Trade may also be included in the reports.

THEREFORE, IT IS ORDERED, That pursuant to section 10002(d) of the Foreign Shipping Practices Act of 1988, the carriers named herein shall submit to the Commission the information requested above, together with any relevant documents, including copies of applicable laws, orders, regulations, decrees, and legislation. Any document written in a language other than English shall be accompanied by a certified English translation. Each of the answers shall be provided in writing and under oath, and signed by the person providing the answer.

FINALLY, IT IS ORDERED, That the reports required by this Order be filed on or before November 13, 1992. Such reports shall be directed to the Secretary, Federal Maritime Commission,

Washington, D.C. 20573-0001 and shall consist of an original and 15 copies.

By the Commission.

Joseph C. Polking Secretary

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

CO 034-0

INCOMING

DATE RECEIVED: SEPTEMBER 29, 1992

NAME OF CORRESPONDENT: THE HONORABLE ARLEN SPECTER

SUBJECT: URGES THE PRESIDENT TO SUPPORT THE PROPOSAL

FOR THE BMY-COMBAT SYSTEMS TO SELL THE

TAIWANESE GOVERNMENT 36 M88A1 TANK RECOVERY

VEHICLES

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



BANKING JUDICIARY APPROPRIATIONS VETERANS' AFFAIRS

United States Senate

WASHINGTON, DC 20510-3802

September 25, 1992

The Honorable George Bush The White House Washington, D.C. 20500

Dear Mr. President:

I am writing to request that BMY-Combat Systems, a Pennsylvania-based company, be permitted to sell the Taiwanese government the remaining 36 M38A1 tank recovery vehicles it contracted to sell them in June 1991. The M88Als are designed to remove damaged tanks from the battlefield and have no offensive combat capability. The sale will preserve a large number of jobs in a region of Pennsylvania which has been particularly hard hit during the current recession.

By way of background, BMY signed the original contract for 61 M88Al Medium Recovery Vehicles at a value of \$88.5 million, to be delivered in 1993 and 1994. I have been informed that immediately following the signing of the contract BMY requested the appropriate export licenses from the State Department. In September 1991, BMY was informed by the State Department that the license could not be issued because there was not enough room in the "bucket" of defense articles the U.S. can sell Taiwan in a given year based on the 1982 joint communique with the Peoples Republic of China.

I am advised that since the Army plans to upgrade approximately 200 M88Als to an improved version in 1995, the sale of the remaining vehicles to the Taiwanese would enable BMY to keep the production line warm and avoid the tremendous costs associated with closing the line and reopening it in 1995. Accordingly, I request that you approve this sale of 36 tank recovery vehicles in order to save jobs in Pennsylvania and ensure a smooth, cost-effective transition to the M88Al upgrade program in 1995.

Thank you for your attention to this important matter.

My best.

Sincerely, Mr. Painson

Arien Specter & P.M. T. Francylounis

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deficitive welleter

AS/emr

October 13, 1992

Dear Senator Specter:

Thank you for your recent letter to the President, expressing your thoughts on the proposal for BMY-Combat Systems to sell the Taiwanese Government 36 M88A1 tank recovery vehicles.

We appreciate being advised of your concern on behalf of your constituents in Pennsylvania. Please know that I have shared your comments with several of the President's advisors on this matter so that they, too, are aware of your recommendations.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Nicholas E. Calio Assistant to the President for Legislative Affairs

The Honorable Arlen Specter United States Senate Washington, D.C. 20510

NEC:DMT:

bcc: w/ copy of inc to NSC - for Direct Response bcc: w/ copy of inc to Department of State - FYI bcc: w/ copy of inc to Department of Defense - FYI bcc: w/ copy of inc to Department of Labor - FYI

bcc: w/ copy of inc to Jim Dyer - FYI

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

FO 003-02

INCOMING

DATE RECEIVED: AUGUST 13, 1992

NAME OF CORRESPONDENT: THE HONORABLE MALCOLM WALLOP

SUBJECT: ENCLOSES A COPY OF HIS LETTER TO SECRETARY

OF STATE BAKER URGING THE ADMINISTRATION TO APPROVE THE SALE OF F-16 AIRCRAFT TO THE

GOVERNMENT OF TAIWAN

			ACT	TION	DISPOSIT	ION
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

MALCOLM WALLOP WYGMING

COMMITTEES:

ENERGY AND NATURAL RESOURCES SMALL BUSINESS ARMED SERVICES United States Senate

WASHINGTON, DC 20510-5001

August 5, 1992

WASHINGTON OFFICE (202) 224-6441

CASPER OFFICE (307) 261-5415 2201 FEDERAL BUILDING 82601

CHEYENNE OFFICE (307) 634-0626 2009 FEDERAL CENTER 82001

LANDER OFFICE (307) 332-2293 POST OFFICE BUILDING 82520

ROCK SPRINGS OFFICE (307) 382-5127 2515 FOOTHILL BLVD. 82901

SHERIDAN OFFICE (307) 672-6456 40 SOUTH MAIN 82801

The Honorable George Bush President of the United States Washington, D.C. 20500

Dear Mr. President:

I was gratified to see that you are personally considering the sale of F-16 airplanes to Taiwan. I wrote to the Secretary of State in May (copy enclosed) to encourage the sale for the sake of Taiwan, whose security we took the trouble to pledge in public law.

While the State Department answered with a non committal letter, I hope this matter will get the attention it deserves with you.

It was good talking with you last month on the need for a national security doctrine.

Sincerely Yours,

Malcolm Wallop

United States Senator

MW/slm

COMMITTEES:

ENERGY AND NATURAL RESOURCES SMALL BUSINESS ARMED SERVICES

United States Senate

WASHINGTON, DC 20510-5001

WASHINGTON OFFICE (202) 224-8441 CASPER OFFICE (307) 261-5415 2201 FEDERAL BUILDING 82601

CHEYENNE OFFICE (307) 634-0626 2009 FEDERAL CENTER 82001

LANDER OFFICE (307) 332-2293 POST OFFICE BUILDING 82520

ROCK SPRINGS OFFICE (307) 382-5127 2515 FOOTHILL BLVD. 82901

SHERIDAN OFFICE (307) 672-6456 40 SOUTH MAIN 82801

May 18, 1992

The Honorable James A. Baker III Secretary of State Department of State 2201 C Street Washington, D.C. 20520

Dear Secretary Baker:

I am writing to encourage you and the administration to approve the sale of F-16 airplanes to the government of Taiwan.

The Congress has been keenly interested in safeguarding the security of Taiwan, as seen by the passage of the Taiwan Relations Act (TRA) in 1979, and continues so. The Taiwan Relations Act (P.L. 96-8), SEC 3. (a) states, "the United States will make available to Taiwan such defense articles and services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability."

I believe the sale of F-16's, which are, I'm sure, the aircraft of choice for Taiwan, would benefit both our defense industries and lower our production costs while fulfilling the requirements of Taiwan Relations Act. We should proceed now to make these aircraft available to the Taiwanese and to meet our obligations in public law.

It seems absurd to deny the sale of F-16's to Taiwan when we have sold F-16's to many other countries on the Pacific rim including Thailand, Indonesia, and Korea. Our policy should not be to single out our close friends by denying them access to the defense systems and materials that we have promised in public law. It is the right thing to do; we should take a stand on the issue, as it is in the best interests of both the United States and Taiwan for Taiwan to purchase and operate U.S. made F-16 aircraft for defense of their small nation. Such a sale could hardly be seen as a threat to the PRC. The aircraft would, however, provide a vital system of defense for Taiwan.

Sincerely,

Malcolm Wallop

United States Senator

August 14, 1992

Dear Malcolm:

Thank you for your recent letter to the President expressing your support for the sale of F-16 airplanes to the government of Taiwan.

We appreciate being advised of your support for such a transaction. I have shared your letter with the President's national security and foreign policy advisors for their review.

Thank you again for writing.

With best regards,

Sincerely,

Nicholas E. Calio Assistant to the President for Legislative Affairs

The Honorable Malcolm Wallop United States Senate Washington, D.C. 20510

NEC:JHH:

bcc: w/ copy of inc to NSC - for appropriate action

bcc: w/ copy of inc to Dept. of State - FYI bcc: w/ copy of inc to Dept. of Defense - FYI

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

F0 003-02

INCOMING

DATE RECEIVED: AUGUST 14, 1992

NAME OF CORRESPONDENT: THE HONORABLE ROBERT K. DORNAN

SUBJECT: URGES THE PRESIDENT TO ALLOW THE SALE OF

AMERICAN-MADE JET FIGHTER AIRCRAFT TO TAIWAN

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

34514.

Month

Congress of the United States

House of Representatives

Washington, DC 20515

August 14, 1992

The President The White House Washington, D.C. 20500

Dear Mr. President:

We are writing to urge that you allow the sale of Americanmade jet fighter aircraft to the Republic of China (ROC) on Taiwan.

There are two compelling reasons to sell U.S. fighters to Taiwan. The first is that the ROC deserves to purchase these planes. The ROC has been a staunch U.S. ally in the fight against communist aggression. The past few years have seen tremendous progress toward democratization in that country. It is a showplace of market economics. In most respects, the country reflects the American ideals of individual liberty and freedom.

But the ROC is also threatened by the Peoples Republic of China, which is now in the process of significantly upgrading--both quantitatively and qualitatively--its air force with the planned purchase of a total of 72 Su-27 fighters and 24 MiG-31 interceptors. The government of the ROC has understandably looked on these developments with alarm.

According to the Taiwan Relations Act, "...the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability..." In our view, the current situation not only meets that requirement, but demands that the U.S. grant the ROC's request for advanced fighters. We owe our allies no less.

The second reason the U.S. should go forward with a fighter sale to the ROC is economic. If the U.S. does not make this sale, the business—and the jobs—will go to other countries. At a time when the economy is sluggish and the defense industry is hurting, it does not make sense to give business to our competitors.

Whether we sell the ROC F-15s, F-16s, or F-18s does not matter. What does matter is that the ROC purchases American aircraft produced by American workers.

The sale of American jet aircraft to the ROC is good for the U.S. economy and good for U.S. national security. We therefore urge that the sale be approved.

U.S. Fighter Aircraft and Taiwan -- page 2

U.S. Congressman

U.S. Congressman

U.S. Congressman

Ron Packard

U.S. Congressman

U.S. Congressman

Dan Burton

U.S. Congressman

U.S. Congressman

Dear Bob:

Thank you for your recent letter to the President, cosigned by seven of your colleagues, expressing your support for the sale of fighter aircraft to Taiwan.

We appreciate being advised of your support for such a sale based on both economic and foreign policy considerations. I have shared your letter with the President's national security and foreign policy advisors for their review and consideration.

Thank you again for writing.

With best regards,

Sincerely,

Nicholas E. Calio Assistant to the President for Legislative Affairs

The Honorable Robert K. Dornan House of Representatives Washington, D.C. 20515

NEC:JHH:jfc (8NECG) Taiwan-H.pf

bcc: w/copy of inc to NSC - for DIRECT response
bcc: w/copy of inc to Department of State - FYI
bcc: w/copy of inc to Department of Defense - FYI

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

FO 003-02

INCOMING

DATE RECEIVED: AUGUST 17, 1992

NAME OF CORRESPONDENT: THE HONORABLE JOE BARTON

SUBJECT: URGES THE PRESIDENT TO REVIEW AND CHANGE THE

EXISTING POLICY PREVENTING SALES OF AMERICAN

MADE F-16 FIGHTER AIRCRAFT TO TAIWAN

	A	CTION	DI	SPOSITION
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT	DATE YY/MM/DD		
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

345 360



Congress of the United States House of Representatives Washington, DC 20515

August 14, 1992

The Honorable George Bush President of the United States The White House Washington, D.C. 20500

Dear Mr. President:

We are writing to request that you review and change the existing policy preventing sales of American made F-16 fighter aircraft to Taiwan. The existing policy may have made sense when formulated over a decade ago, but it does not make sense today, given the changed world geopolitical and economic situation. Please consider the following new facts.

The Soviet Union has disintegrated. Consequently, the old animosity between mainland China and the Soviet Union is no more, and the Chinese government recently announced the purchase of 48 Su-27 modern Russian fighters. This announcement comes on the heels of a previous announcement to purchase 24 Su-27 fighters and 24 MiG-31 fighter interceptors. There is also being built in China a factory to manufacture up to 200 MiG-31s in the future. It is obvious from these announcements that mainland China has embarked on a major qualitative and quantitative upgrade of their air force.

The Taiwanese government has observed this upgrade with obvious concern. To offset it, they have requested to purchase American made F-16s. To date, our government has not responded favorably to their request. Consequently, the Taiwanese have entered into serious negotiations with the French to purchase Mirage 2000-5 fighters. These negotiations are nearing conclusion, and an announcement of a final agreement could be made in mid-August.

The pending French-Taiwanese agreement includes not only Mirage fighters, but also the sale of French nuclear power plants and high speed railroad equipment. The combined package could easily be worth at least twenty-five billion dollars over the life of the agreement.

We have been informed that the Taiwanese would prefer to purchase American made F-16s. The applicable U.S. law, the Taiwan Relations Act of 1979, permits such a sale. The economic benefits of such a sale to the United States are obvious. The sale of 60 aircraft this year would generate three billion dollars. The sale of another 120 aircraft in the next several years would generate an additional 6 billion dollars. In terms of direct U.S. jobs, the number is over eleven thousand. Selling F-16s to Taiwan would also be a great help in maintaining our capability to build the next generation American fighter, the F-22, which is not scheduled to go into production until the mid to late 1990's.

To summarize, the world situation is different today than it was when the

United States first recognized mainland China. The mainland Chinese are upgrading their air force, and American law specifically allows us to help Taiwan maintain their defense capability. If we do not allow F-16 sales to Taiwan, they will buy French aircraft and will also make a commitment to purchase French nuclear power plants and railroad technology. Selling F-16s to Taiwan would help our balance of payments, maintain American jobs, and sustain our domestic defense industry in the transition period to the 21st Century generation fighter aircraft. Please seriously consider approving negotiations to sell F-16 fighters to Taiwan.

Sincerely,

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THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

FO.003-02

DATE RECEIVED: SEPTEMBER 04, 1992

NAME OF CORRESPONDENT: THE HONORABLE CHRISTOPHER S. BOND

SUBJECT: EXPRESSES HIS SUPPORT FOR THE PRESIDENT'S

ANNOUNCEMENT TO SELL TAIWAN F-16 AIRCRAFT AND URGES HIM TO ALSO APPROVE THE SALE OF F-15

AIRCRAFT TO SAUDI ARABIA

				A	CTION	DIS	SPOSITION	1
ROUTE TO: OFFICE/AGE	NCY (ST	AFF NAME)		ACT CODE	DATE YY/MM/DD	TYPE	C COMPLE D YY/MM/	TEN
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

D Cole

United States Senate

WASHINGTON, DC 20510-2503

September 3, 1992

The President The White House Washington, D.C. 20500

Dear Mr. President:

Your announcement of the F-16 fighter sale to Taiwan is good news for American aerospace workers. Your decision to go forward with the sale was a correct one; I support it and I will vote in favor of it if it comes before the Senate for approval.

Now we must go forward with a sale that is equally important — the sale of F-15 aircraft to Saudi Arabia. Press reports out this morning indicate that no significant roadblocks remain to the approval of such a sale. Most notable, Israeli Prime Minister Yitzhak Rabin has suggested that Israel will not fight the Saudi deal. This morning's Washington Post states that "Rabin's government has concluded it would be futile in the current political environment to mount a campaign against the deal." The same article quotes Rabin directly as commenting, "I don't like lost battles."

In addition to the news about the lack of Israeli opposition, it is important to note that democratic Congressional leaders have indicated their support for the sale.

Mr. President, I was in St. Louis yesterday and I spoke to many McDonnell Douglas workers. They watched you announce the F-16 deal in Fort Worth on television and they have followed press reports on the Saudi deal closely. Certainly you can understand the anxiety and frustration they feel as they wonder whether they too will receive good news soon. I hope we can deliver that good news.

I commend your leadership on the F-16 sale; and I urge you once again to go forward with the Saudi sale immediately and tell the tens of thousands of men and women on the F-15 line and around the country that you will keep them working and keep their jobs here at home.

Thank you for your personal attention to this matter. I am available to discuss this with you further at any time.

ANESONO

hristopher S. Bond

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: AUGUST 28, 1992

NAME OF CORRESPONDENT: DR. DAVID W. TSAI PH.D.

SUBJECT: URGES THE PRESIDENT TO ALLOW THE SALE OF

AMERICAN-MADE F-16 AIRCRAFT TO TAIWAN

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



9218120

538 Seventh Street, S.E. • Washington, D.C. 20003 • Tel. (202) 543-6287 • Fax: (202) 543-7891

CENTER FOR TAIWAN INTERNATIONAL RELATIONS

August 21, 1992

The Honorable President George W. Bush The White House Washington, D. C. 20500

Dear Mr. President:

I am writing to urge you to allow the sale of American-made F-16 fighter aircraft to Taiwan. We feel that such a sale is in the best interests of the peoples of Taiwan and the United States, the security of Asia and Pacific region and American Asian policy.

China's acquisition of sophisticated Su-27 Russian fighters and Mig-31 fighter interceptors has disturbed the balance of power across the Taiwan Straits. Modern Western aircraft are required to redress the imbalance. The F-16, with its ability to deliver an array of American-made air-to-air and air-to-surface munitions, is ideally suited to this role. The authorities in Taiwan have requested to purchase this aircraft.

Taiwan must have modern aircraft to counter the Su-27 and Mig-31. If the island does not purchase the F-16, it will look elsewhere to fill its defense needs. The Taiwanese government is currently negotiating with the French to purchase Mirage 2000-5 fighters as a possible alternative. The sale of the F-16s will eventually be worth billions to American companies and will have positive effects on the balance of trade. Its economic benefits are obvious. The F-16's American maker, General Dynamics, would have to cut jobs and scale back production here in the United States if Taiwan is forced to buy elsewhere.

The U.S. has longstanding ties to the people of Taiwan. Its obligations to the people of Taiwan are clearly spelled out in the Taiwan Relations Act (TRA) of 1979, which directs the U.S. in Section 2 (b) "to provide Taiwan with arms of a defensive nature..." and which further mandates in Section 3 (a) that the United States "make available such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." Section 3 (b) states that "the President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgement of the needs of Taiwan, in accordance with procedures established by law."

Under the terms of the TRA, the United States has both the right and responsibility to maintain peace and stability in East Asia by supplying American-made defensive weapons to the people of Taiwan. The sale of F-16 fighter aircraft to Taiwan will fulfill these obligations, and demonstrate America's continuing commitment to stability and growth in Taiwan and the surrounding region.

President Bush Page two Aug. 21, 1992

As you are aware, China has never renounced the use of force to annex Taiwan which has been one of America's most important allies and trading partners. Sentiment in favor of a harder stance against China since the 1989 massacre has been strong in Congress and the sale of the F-16s is supported by lawmakers from both sides of the aisle. Over one hundred Congressmen have signed letters urging you to approve the transaction.

A free, stable, secure and independent Taiwan is in the best interests of the United States and the entire free world. It also means outlets for American goods and jobs for American workers. Our Taiwanese American community believe this sale is vital to the long-term security and stability of Taiwan as well as of great potential benefit to America's economic and political interests in East Asia.

Mr. President, we strongly urge you to approve the sale of this aircraft to Taiwan.

Sincerely,

David W. Tsai, Ph. D.

President

United States Department of State



Mr. David W. Tsai President Center for Taiwan International Relations 538 Seventh Street, SE

Washington, D.C. 20520

Assistant Secretary of State for Politico-Military Affairs

Dear Mr. Tsai:

Washington, DC 20003

I am responding on behalf of President Bush to your letter of August 21 regarding the sale of F-16 combat aircraft to Taiwan.

I am pleased to tell you that the President announced on September 2 that the U.S. is prepared to sell F-16A/B combat aircraft to Taiwan in accordance with our obligations under the Taiwan Relations Act. In keeping with the Act, we make available defense articles and defense services in such quantity as we believe necessary to enable Taiwan to maintain a sufficient self-defense capability, and we base our judgments in this area on a careful assessment of the needs of Taiwan.

Our policy on arms sales to Taiwan is both sensitive and unique. In the 1982 US-PRC Joint Communique, we set forth an approach to Taiwan arms sales premised on Beijing's fundamental commitment to a peaceful policy toward Taiwan. We believe this formula serves the purposes of the Taiwan Relations Act in terms of Taiwan's security. It has clearly had its desired effect of reducing tension in the Taiwan Strait; great strides have been made in the last few years in reducing tensions between Taipei and Beijing. The President's decision does not change the commitment of the U.S. government to this communique or to the peace and stability in the area which it promotes.

We will keep the evolving security situation in the Taiwan Strait, and Taiwan's defense needs, under continuing review, and I can assure you we will not fail to take the necessary actions to meet our obligations under the Taiwan Relations Act. Again, thank you for your letter to the President.

Robert L. Gallucci

Enclosure: correspondence returned.

F0003

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: AUGUST 31, 1992

NAME OF CORRESPONDENT: THE HONORABLE HEINZ C. PRECHTER

SUBJECT: FORWARDS COPY LETTER FROM CLAYTON A. WILLIAMS

URGING THE PRESIDENT TO APPROVE THE SALE OF F-15 AIRCRAFT TO SAUDI ARABIA AND TO TAIWAN

	ACTION	DISPOSITION
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT DATE CODE YY/MM/DD	TYPE C COMPLETED RESP D YY/MM/DD
ROGER PORTER REFERRAL NOTE: REFERRAL NOTE: REFERRAL NOTE: REFERRAL NOTE:	ORG 92/08/31 — _/_/_ — _/_/_ — _/_/_	BP # B10119
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



347646 ASC Incorporated

One Sunroof Center Southgate, Michigan 48195

11/ Porter

August 18, 1992

The President The White House Washington, DC 20500

Dear Mr. President:

Attached is a letter I received regarding two major export opportunities for our suffering defense industry.

As you will recall, your President's Export Council, earlier this year, led a trade mission to Taiwan, and identified innumerable trade and business opportunities in that country, including in the defense industry.

As noted, a similar opportunity exists in Saudi-Arabia.

As we both know, contracts of this magnitude create jobs for Americans.

Equally, I recognize the sensitivity of arms exportation -- and the delicate balance that must be struck between trade and other foreign neighbors in the respective regions, such as China.

I sincerely hope you, Secretary Franklin and the other departments and agencies within the Administration can support the pursuit of such opportunities as positive foreign/domestic relations activities.

Sincerely,

Heinz C. Prechter

Chairman

cc:

Secretary Barbara Franklin Clayton Yeutter Wendy Smith Clayton Williams

THE WHITE HOUSE

WASHINGTON

October 19, 1992

Dear Heinz:

The President has asked me to let you know how much he appreciated your letter supporting sales of U.S. F-16 aircraft to Saudi Arabia and F-15 aircraft to Taiwan.

As you know, the President has authorized both sales. We are convinced that the sales advance vital U.S. security and foreign policy objectives. You make an excellent point that military aircraft sales benefit the U.S. defense industry which is undergoing a major post-Cold War restructuring.

Thank you again for your advice and counsel on this vital matter.

Warmest regards,

Roger B. Porter Assistant to the President

for Economic and Domestic Policy

Mr. Heinz C. Prechter Chairman ASC Incorporated One Sunroof Center Southgate, Michigan 48195

Litton

Applied Technology

August 10, 1992

4747 Hellyer Avenue P.O. Box 7012 San Jose, California 95150-7012 408 365-4747

Clayton A. Williams President

Mr. Heinz Prechter Chairman and Chief Executive ASC Incorporated One Sunroof Center Southgate, Michigan 48195

Dear Heinz,

When we last met in Detroit, you indicated a willingness to pursue major export opportunities of significance to the nation. Two major opportunities of national significance are now at hand.

As you know, the defense industry is in a recession with major job losses in California, Texas, New York and Missouri. Exports of aerospace products have had a very positive effect and have stalled further erosion. Exports remain critical to a gradual build-down of the defense industry.

Two major opportunities, in excess of \$7B total, could be lost to foreign competition without the President's immediate action. They are the sale of F-15 aircraft to Saudi Arabia and F-16 aircraft to Taiwan. These opportunities would provide immediate stimulus to the economies of California, Texas, New York and Missouri and provide a strong benefit to the President's election in these critical states. The Saudi Arabia and Taiwan sales would significantly boost exports, provide jobs, increase corporate profits and provide a near-term influx of cash. Both programs enjoy strong support in the Congress.

I urge you to advise President Bush to take the initiative and present the proposed sales to the Congress. They should be presented concurrently in August for maximum effect. If they slip beyond mid-September, the advantage to the Administration will be lost. This is an excellent opportunity to have the President recognized for putting the U.S. economy and American jobs first.

Let me assure you that I share your strong desire to continue President Bush's leadership over the next four years.

Very truly yours,

Clayton A. Williams

President

Applied Technology

Aerospace Exports

The sale of F-15 aircraft to Saudi Arabia and F-16 aircraft to Taiwan represent over \$7B of guaranteed exports because each country has requested the aircraft and is in strong financial condition.

The sales should be presented concurrently so that both McDonell Douglas and General Dynamics with all their subcontractors benefit together. Below are highlights on each.

Saudi Arabia

- · Approximately 72 F-15 E models
- · Prevents closure of the production line in St. Louis and subcontractors nationwide
- Continues over 3,000 jobs which McDonell Douglas announced would be discontinued if
 the sale was not approved and continues thousands more jobs as a result of subcontracts.

Taiwan

- · Approximately 180 F-16 aircraft
- Continues the F-16 production line in Ft. Worth and subcontractors nationwide.
 Creates thousands of new aerospace jobs.

The Administration is concerned the F-16 sale would be objectionable by China. To abate this concern by China of an offensive capability, the F-16 airframe & engines could be sold and the avionics could be provided via the Indigenous Defense Fighter (IDF) Program. IDF is a mini-F-16 under contract by Taiwan with General Dynamics as the prime contractor. The avionics is entirely from American companies and is compatible with the F-16. The IDF avionics could be installed in the F-16 and a common set of avionics would then exist in Taiwan for the F-16 and IDF making logistics and support standard and efficient.

The Administration could advise China that only the airframe and engines and an offensive capability is not being provided. General Dynamics would get the sale and would continue as prime contractor since they are responsible for the F-16 and IDF. U.S. aerospace industry would benefit since all the IDF avionics are American made.

ID# 348305

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: SEPTEMBER 03, 1992

NAME OF CORRESPONDENT: MR. ROGER A. MUNSON

SUBJECT: URGES THE PRESIDENT TO APPROVE THE SALE OF

F-16 AIRCRAFT TO TAIWAN

	ACTION DISPOSITION
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT DATE TYPE C COMPLETED CODE YY/MM/DD RESP D YY/MM/DD
WILLIAM CALDWELL REFERRAL NOTE: REFERRAL NOTE:	ORG 92/09/03
REFERRAL NOTE: REFERRAL NOTE:	
COMMENTS: SEE ID 342896 FYI	
ADDITIONAL CORRESPONDENTS: MEDIA:	
PL MAIL USER CODES: (A)(F	3)(C)
******************************* *ACTION CODES: *DISPOSITION * *A-APPROPRIATE ACTION *A-ANSWERED *C-COMMENT/RECOM *B-NON-SPEC-REFI *D-DRAFT RESPONSE *C-COMPLETED *F-FURNISH FACT SHEET *S-SUSPENDED *I-INFO COPY/NO ACT NEC* *R-DIRECT REPLY W/COPY *	********************* *OUTGOING
*S-FOR-SIGNATURE	* * * * * * * * * * * * * * * * * * *

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



★ WASHINGTON OFFICE ★ 1808 "K" STREET, N. W. ★ WASHINGTON, D. C. 20006 ★

OFFICE OF THE NATIONAL COMMANDER

September 2, 1992

President George H. W. Bush The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear Mr. President:

The day after you addressed our 74th National Convention in Chicago on August 24, 1992, the delegates reaffirmed The American Legion's strong conviction that the U.S. Government should be willing to sell modern armaments to the Republic of China. Such sales are clearly mandated in Section 3.(a) of the Taiwan Relations Act (PL 96-8) which states: "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability."

Presently, Taiwan's aging fighter aircraft are outnumbered about 20-1 by the People's Republic of China. The PRC air force will soon be modernized by the acquisition of 24 Russian SU-27. Such augmentation of Communist China's air power will put the security of Taiwan in even greater jeopardy, especially since PRC leaders have never disavowed the use of force to reincorporate Taiwan into mainland China.

Over several decades and with extensive American assistance, Taiwan has emerged as a democratic society operating a highly productive economy. The American Legion believes you should help assure the continued security of this remarkable achievement by selling to Taiwan the modern F-16 aircraft it so desperately needs. Selling the aircraft to Taiwan also makes sound economic sense because it will preserve high-tech American jobs. Furthermore, if the F-16 is not made available, Taiwan will fill its needs by purchasing the French Mirage aircraft.

Mr. President, Taiwan has been a close ally of the American people for several decades and now serves as a beacon of hope for other developing countries by proving that hard work and enlightened leadership can achiever democracy and free-market prosperity. Therefore, we strongly urge you to approve the F-16 sale to the Republic of China on Taiwan.

Sincerely,

National Commander

cc: Lawrence Eagleburger, Acting Secretary of State Richard Cheney, Secretary of Defense

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

October 13, 1992

Dear Mr. Munson:

Thank you for your letter to President Bush concerning the sale of F-16s to Taiwan. I have been asked to respond.

As you are aware, the President approved the sale of the F-16s to Taiwan on September 2, 1992. This sale will help maintain peace and stability in the Asia-Pacific region, while creating jobs domestically.

We appreciate your support and the support of the American Legion on this important issue.

Sincerely,

Douglas H. Paal Special Assistant to the President and Senior Director for Asian

Affairs

Roger A. Munson National Commander The American Legion 1608 K Street, NW Washington, DC 20006

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: SEPTEMBER 16, 1992

NAME OF CORRESPONDENT: THE HONORABLE LUCIEN E. BLACKWELL

SUBJECT: OPPOSES THE PROPOSED SALE OF F-15 AND F-16

FIGHTER JETS TO THE GOVERNMENTS OF TAIWAN

AND SAUDI ARABIA

			AC.	TION	DIS	SPOSITION
ROUTE TO: OFFICE/AGE	NCY (ST	AFF NAME)	ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
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COMMENTS:						
ADDITIONAL	CORRESPONDEN	MEDIA:	r india	VIDUAL CO	DES: 1	.230
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

SECOND DISTRICT, PENNSYLVANIA

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

SUBCOMMITTEE ON SURFACE TRANSPORTATION SUBCOMMITTEE ON WATER RESOURCES SUBCOMMITTEE ON INVESTIGATIONS AND OVERSIGHT

COMMITTEE ON MERCHANT MARINE AND FISHERIES

SUBCOMMITTEE ON MERCHANT MARINE

LUCIEN E. BLACKWELL

1725 LONGWORTH HOUSE OFFICE BUILDING WASHINGTON, DC 20515-3802 (202) 225-4001

> 3901 MARKET STREET PHILADELPHIA, PA 19104 (215) 387-2543, 2544

Congress of the United States House of Representatives

Washington, DC 20515-3802

September 15, 1992

The President The White House Washington, DC 20500

Dear Mr. President:

I am writing to express my utmost concern over the proposed sale of F-15 and F-16 fighter jets to the governments of Taiwan and Saudi Arabia.

Since my election to Congress in November of last year, I have worked hard to bring the concerns of my constituents to the forefront of the legislative agenda. As you may well know, the city of Philadelphia has experienced a great deal of economic misery in recent years, and many people have grown weary of a federal government that is no longer able serve their needs in an adequate fashion. In particular, there is a genuine sense of disdain among my constituency for the continued proliferation of defense systems at a time when so many in our nation are hurting.

I share the feelings held by the residents of Pennsylvania's Second Congressional District, and citizens throughout the nation who are firm in their commitment to seeing the United States strive for world peace. Over the course of the last few years millions of people across the globe have been blessed with the gift of freedom, and I firmly believe that we are heading towards the next century with a renewed sense of hope and optimism for those who still feel the shackles of oppression. In order to realize these goals, we must lay down our arms, and join with the family of nations to achieve a real peace.

The continued production of F-15 and F-16 fighter jets is a blatant obstacle in the path of genuine world-wide peace. One need look no further than the utter destruction and loss of life experienced by the innocent people Somalia and Yugoslavia to realize that war is wrong, and the preparation for war is wrong. I certainly recognize there are communities throughout the country that rely on the sale of these jets for their economic livelihood. The time has come however, to take this money, and employ these workers to rebuild our nation's cities and rural communities, which are in desperate need of revitalization. We must end our financial addiction to weapons whose only purpose is to spread death and misery for people in countries throughout the world.

The President September 10, 1992 Page Two

I do not believe that this is a partisan issue, but a simple human issue. Albert Einstein once said that "you cannot simultaneously prepare for war and peace". I respectfully urge you to reconsider your decision to proceed with the sale of these war planes. Do not detract from your many accomplishments by continuing to promote the sale of weapons of destruction to unstable nations. Instead, make the hard choices that will allow the United States to become a leader in the name of peace, and create the kind of world that will make our children proud of us. I look forward to working with you to accomplish these goals.

With warm personal regards,

Lucien E. Blackwell Member of Congress

DIGDOGIMION

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

3 OMT 011

INCOMING

DATE RECEIVED: SEPTEMBER 29, 1992

NAME OF CORRESPONDENT: THE HONORABLE ALFONSE M. D'AMATO

SUBJECT: URGES THE PRESIDENT TO AMEND HIS PROPOSAL AND

PROVIDE THE F-16 C/D VERSION OF AIRCRAFT IN THE SALE TO TAIWAN INSTEAD OF THE F-16 A/B

AIRCRAFT

	ACTION	DISPOSITION	
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT DATE CODE YY/MM/DD		1
NICK CALIO REFERRAL NOTE:	ORG 92/09/29	NC A 92/10/13	. (
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99 DOD	I 92/10/20		
99 DOS REFERRAL NOTE:	· ·		
REFERRAL NOTE:	/_/_		
COMMENTS:			
ADDITIONAL CORRESPONDENTS: MEDIA	:L INDIVIDUAL C	DDES: 1220	
MAIL USER CODES: (A)	(B)(C		
****************************** *ACTION CODES: *DISPOSITION *A-APPROPRIATE ACTION *A-ANSWERED *C-COMMENT/RECOM *B-NON-SPEC-RE *D-DRAFT RESPONSE *C-COMPLETED *F-FURNISH FACT SHEET *S-SUSPENDED *I-INFO COPY/NO ACT NEC* *R-DIRECT REPLY W/COPY * *S-FOR-SIGNATURE *	FERRAL *	SPONDENCE: * RESP=INITIALS *	
*X-INTERIM REPLY *	*	*	

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

F0003

ALFONSE M. D'AMATO

United States Senate

WASHINGTON, DC 20510-3202

September 25, 1992

President George Bush The White House Washington, D.C.

Dear Mr. President:

I am writing to express my strongest support for the proposed sale of F-16's to Taiwan, and to urge that Taiwan be provided the more advanced F-16 C/D models. According to published information, we are selling to Taiwan 150 F-16 A/B fighter aircraft. While it is not clear what equipment these earlier models will have, it is clear that even with the "mid-life upgrade," the A/B models are not as capable as the People's Republic of China's newly-purchased Russian SU-27's.

The F-16 C/D version will provide the Taiwanese with planes that have 3,000 pounds more than the A/B models, advanced radar and avionic improvements. This version is a significant upgrade over the A/B model. The traditional animosity between China and Taiwan, compounded by the rush by China to acquire new weapons like the SU-270 from Russia, and the renewed flare-up of the Spratley Islands dispute, only deepens the necessity to provide the C/D version to Taiwan.

Your September 2, 1992 decision to sell the fighters to Taiwan was admirable, yet this sale must go farther to meet Taiwan's needs. I urge you to amend your proposal and provide Taiwan with the F-16 C/D version instead of the F-16 A/B.

Sincerely,

Alfonse M. D'Amato

United States Senator

AMD:gjr

October 13, 1992

Dear Senator D'Amato:

Thank you for your recent letter to the President, expressing your support for the sale of the F-16 C/D model to Taiwan instead of the F-16 A/B version.

We appreciate being advised of your interest in this matter. Please know that I have shared your letter with several of the President's other advisors so that they, too, are aware of your thoughts.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Nicholas E. Calio Assistant to the President for Legislative Affairs

The Honorable Alfonse D'Amato United States Senate Washington, D.C. 20510

NEC:DMT:

bcc: w/ copy of inc to NSC- for Direct Response

bcc: w/ copy of inc to Department of Defense - FYI

bcc: w/ copy of inc to Department of State - FYI

THE WHITE HOUSE

WASHINGTON

November 18, 1992

Dear Senator D'Amato:

Thank you for your letter expressing support for the sale of F-16s to Taiwan.

The decision to approve the sale of the F-16 A/B with the "midlife upgrade" was based on a careful review of Taiwan's air defense needs. The increasing obsolescence of Taiwan's F-104 and F-5 aircraft and the Chinese purchase of Russian SU-27 were factors taken into account during that review. Although other aircraft were considered, the F-16 A/B was chosen because the aircraft's outstanding qualifications as an air defense fighter are most closely suited to Taiwan's defensive needs.

U.S. policy toward Taiwan is designed to help maintain peace and stability in the area. It has certainly helped to reduce tension in the last few years between Taiwan and Beijing. I believe the decision to sell F-16 A/B aircraft to Taiwan will continue this positive trend.

Sincerely,

Brent Scowcroft

The Honorable Alfonse D'Amato United States Senate Washington, D.C. 20510

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: JANUARY 26, 1990

NAME OF CORRESPONDENT: THE HONORABLE PHILIP M. CRANE

SUBJECT: URGES THE PRESIDENT TO SUPPORT THE CREATION OF A GATT WORKING GROUP TO CONSIDER TAIWAN'S APPLICATION FOR MEMBERSHIP IN THE GENERAL

AGREEMENT ON TARIFFS (GATT)

		AC	CTION	DI	SPOSITION	
ROUTE TO: OFFICE/AGENCY (STA	AFF NAME)	ACT CODE	DATE YY/MM/DD		C COMPLE D YY/MM/	
FREDERICK MCCLURE REFERRAL NO REFERRAL NO REFERRAL NO REFERRAL NO REFERRAL NO	OTE:	R	90/01/26 90/02/09 10/04/06		A 901041	<u>~</u> ~ ~ ~
REFERRAL NO	OTE:					-
COMMENTS: Letters	sent to all sig	vees	,			
ADDITIONAL CORRESPONDED	NTS: 18 MEDIA:L	IND	IVIDUAL CO	DES:	1240 1230	
_ MAIL USER CODES:	(A)(B)	(C)			

	*DISPOSITION		*OUTGOI	NG		*
*A-APPROPRIATE ACTION	*A=ANSWERED		*CORRES		ICE:	*
*C-COMMENT/RECOM	*B-NON-SPEC-REFE	RRAL			SIGNER	*
*D-DRAFT RESPONSE	*C-COMPLETED		* C			*
*F-FURNISH FACT SHEET			*COMPLE		DATE OF	*
*I-INFO COPY/NO ACT NEC			*		OUTGOING	*
*R-DIRECT REPLY W/COPY *S-FOR-SIGNATURE	*		*			*
*X-INTERIM REPLY	*		*			*
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

ID# 107830 ,

PHILIP

PHILIP M. CRANE

MEMBER OF CONGRESS 12TH DISTRICT OF ILLINOIS

WAYS AND MEANS COMMITTEE

> SUBCOMMITTEES: TRADE (VICE CHARMAN)

> > HEALTH

REPUBLICAN STUDY COMMITTEE



Congress of the United States House of Representatives

Washington, DC 20515

OFFICES: SUITE 1035
LONGWORTH BUILDING
WASHINGTON, DC 20515
202/225-3711

1450 SOUTH NEW WILKE ROAD ARLINGTON HEIGHTS, IL 60005 312/394-0790

> 3725 W. ELM STREET McHenny, IL 60050 815/344-0110 312/223-3030

ROBERT C. COLEMAN CHIEF OF STAFF

January 23, 1990 0

The Honorable George Bush President of the United States The White House 1600 Pennsylvania Avenue Washington, D.C. 20500

Dear Mr. President:

On January 1, 1990, Taiwan applied for membership in the General Agreement on Tariffs and Trade (GATT). This is an important development, and one we believe deserves the support of the United States Government.

As our fifth largest trading partner and the thirteenth largest trading entity overall, Taiwan, whose foreign exchange reserves rank second in the world, is clearly an important participant in the global economy. Their inclusion in the multilateral body charged with regulating world trade would not only serve U.S. interests but also strengthen the trading system itself.

Taiwan's commitment to assume greater international responsibilities is underscored by its unique willingness to seek GATT membership with developed country status. Moreover, we believe Taiwan cleared a key political hurdle by applying as the "Customs Territory of Taiwan, Penghu, Kinmen and Matsu" to avoid the suggestion of including any other areas over which it does not currently possess autonomy in the conduct of external commercial relations.

We view this initiative as a positive and significant step on the part of Taiwan, and we urge you to support the creation of a GATT working group to consider Taiwan's application on its merits. Specifically, we believe the GATT Secretariat should be urged to place Taiwan's accession request on the February agenda of the GATT Council meeting.

Philip M. Crane; Vice Chairman Subcommittee on Trade

Sam Gibbons; Chairman Subcommittee on Trade

J.J. Rickete, M.C.	Tom Downey, M.C.
Bill Archer, M.C.	Frank Guarina, M.C.
Bill Thomas, M.C.	Dich Schulze, M.C.
Raymond McGrath, M.C.	Rod Chandler, M.C.
Robert Matsui, M.C.	Donald Pease, M.C.
Don Sundquist, M.C	Nancy I/ Johnson, M.C.
Benjamin L. Cardin, M.C. cc: Carla Hills; United States Trade R James Baker; Secretary of State	
Clayton Yeutter; Secretary of Agri Robert Mosbacher; Secretary of Com	culture

	Bill Frenzel, M.C.
*	E. Clay Shaw, M.C.
394	Ailliam J. Coyne, M.C.

. .

The Honorable Benjamin L. Cardin U.S. House of Representatives Washington, D. C. 20515

Dear Congressman Cardin:

This is in further response to your February 9 letter to the President co-signed by 15 of your colleagues, concerning the application by Taiwan for accession to the General Agreement on Tariffs and Trade (GATT). I completely agree with you concerning the importance of Taiwan's decision to submit its request for contracting party status on January 1, 1990. We have a unique opportunity to bring under GATT discipline one of the last major market-price based trading entities outside the GATT system, and to foster its future development along GATT lines. I also share your perspectives on the benefits to U.S. bilateral and multilateral goals if this Asian trading giant can be brought into the GATT trading system as a developed economy.

Taiwan has taken great care to avoid politicizing its approach to the GATT, particularly in its request to apply only as the Customs Territory of Taiwan, Penghu, Kinmen and Matsu, rather than under a more politically contentious title. Nevertheless, this request presents political difficulties. The GATT does not require political sovereignty for GATT participation, but the People's Republic of China strongly objects to any consideration of an independent request by Taiwan for membership in this international organization, equating this with political recognition of the Taiwan regime. As a consequence, the GATT Contracting Parties have delayed placing the issue on the Council agenda in order to reflect on the application and on how it can be addressed in the GATT.

I continue to believe that the eventual accession of Taiwan to the GATT will greatly benefit U.S. commercial and trade policy interests, and the international trading system as a whole. We will work with other GATT contracting parties to address the problems that face eventual initiation of the GATT review of Taiwan's request, and we seek your continued support for our efforts.

Sincerely,

Carla A. Hills

CAH: ckj

INCOMING

ITOIZ

DATE RECEIVED: MAY 09, 1990

NAME OF CORRESPONDENT: THE HONORABLE DANTE B. FASCELL

SUBJECT: URGES THE U.S. TO SUPPORT TAIWAN'S

APPLICATION TO BECOME A FULL PARTY TO THE GENERAL AGREEMENT OF TRADE AND TARIFFS

(GATT)

	AC	TION	DI	SPOSITION	1
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT CODE	DATE YY/MM/DD		C COMPLE D YY/MM/	
FREDERICK MCCLURE REFERRAL NOTE:	ORG	90/05/09	FM	A 90 P5	17
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*ACTION CODES: *DISPOSITION *		*OUTGOI	NG. SPONDEN	CE:	*
*A-APPROPRIATE ACTION *A-ANSWERED			RESP=IN		*
*C-COMMENT/RECOM *B-NON-SPEC-I	REFERRAL	*		SIGNER	*
*D-DRAFT RESPONSE *C-COMPLETED			CODE = 2		*
*F-FURNISH FACT SHEET *S-SUSPENDED		*COMPLE		DATE OF OUTGOING	
I-INFO COPY/NO ACT NEC *R-DIRECT REPLY W/COPY *		*	,	DOLGOING	*
*S-FOR-SIGNATURE *		*			*
*X-INTERIM REPLY *		*			*
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING

LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

DANTE B. FASCELL FLORIDA. CHAIRMAN

LEE H. HAMILTON, INDIANA

TOM LANTOS, CALIFORNIA

LAWRENCE J. SMITH, FLORIDA

HOWARD L. BERMAN, CALIFORNIA MEL LEVINE, CALIFORNIA EDWARD F. FEIGHAN, OHO

JAIME B. FUSTER, PUERTO RICO

FRANK MCCLOSKEY, INDIANA DONALD M. PAYNE, New Jersey

SUS YATRON, PENNSYLVANIA STEPHEN J. SOLARZ, New York GERRY E. STUDDS, MASSACHUSETTS

HOWARD WOLPE, MICHIGAN GEO, W. CROCKETT, JR., MICHIGAN

SAM GEJDENSON, CONNECTICUT MERVYN M. DYMALLY, CALIFORNIA

PETER H. KOSTMAYER, PENNSYLVANIA ROBERT G. TORRICELLI, New Jensey

One Hundred First Congress

Congress of the United States

Committee on Foreign Affairs House of Representatives Washington, DC 20515

139207 WILLIAM S. BROOMFIELD, MICH RANGING MINORITY MEWICE

BENJAMIN A. GILMAN, New York BOBERT J. LAGOMARSINO, CAURORNA JIM LEACH, IOWA TOBY ROTH, WISCONSIN OLYMPIA J. SNOWE, MAINE HENRY J. HYDE, ILLINOS DOUG BEREUTER, NESASKA CHRISTOPHER H. SMITH, New JERSEY MICHAEL DAWINE OWN DAN BURTON, INDIANA JAN MEYERS, KANSAS JOHN MILLER, WASHI DONALD E. "BUZ" LUKENS, OHO BEN BLAZ, GUAM ELTON GALLEGLY, CALIFORNIA AMO HOUGHTON, New York PORTER J. GOSS, FLORIDA ILEANA ROS-LEHTINEN, FLORIDA

STEVEN K. BERRY

TED WEISS, New York GARY L. ACKERMAN, New YORK MORRIS K. UGALL, ANDONA JAMES MCCLURE CLARKE, NORTH CAROUNA JAME B. FUSTER, PURETO RICO WAYNE OWENS, UTAN HARRY JOHNSTON, FLORIDA ELJOT L. ENGEL, NEW YORK EN F.H. FALSOMAVAGIA, AMERICAN SAMIJA DOUGLAS H. BOSCO, CALIFORNIA

JOHN J. BRADY, JR. CHEF OF STAFF The Honorable George Bush

President of the United States The White House

Washington, D.C. 20500

Dear Mr. President:

We write concerning Taiwan's application to become a full party to the General Agreement of Trade and Tariffs (GATT). As Members of the House Foreign Affairs Committee, we believe on balance that it is in the interest of the United States to support Taiwan's immediate entry and to encourage other member countries to support the application as well.

May 4, 1990

There is no question that, on economic grounds, Taiwan should be a party to GATT. It is one of the most rapidly growing and industrializing economies, with a GDP last year of \$137 billion. Taiwan's external economic relations are as significant as its economic size, with global two-way trade at \$118.5 billion. At the encouragement of the United States, moreover, Taiwan has embarked on a process of removing tariff and non-tariff barriers to imports, a process that would be accelerated by its entry into GATT.

The only questions concerning Taiwan's application which might obstruct a positive US response is political-would its entry complicate our relations with the People's Republic of China and those of member countries? In this regard, we believe that Taiwan has negated any potential problems by applying as a customs area and not as a state. In addition, we note that Hong Kong is a party to GATT as a separate customs area and will remain so even after the colony is returned to Chinese sovereignty under the "one country-two systems" formula-precisely the formula which the PRC has proposed for Taiwan.

Finally, some may warn that acceptance of Taiwan's application before that of the PRC may unnecessarily provoke Beijing. Even if that is the case, we do not believe that Taiwan's entry should be delayed until the world community approves China's application. Taiwan has a free-market economy and its participation in GATT is in the interest of all other free-market economies. We hope that the Chinese government will resume and carry out economic reform to the point that it is appropriate for it to enter GATT. Because that day may be long in coming-and may never come-we do not believe that it is a sufficient justification for delaying Taiwan's entry.

We therefore urge you to support Taiwan's application to become a party to GATT and to urge other countries-particularly Japan and the nations of the European Commission-to support it as well. Thank you for your consideration.

Sincerely, WILLIAM S. BROOMFIELD, MC Ranking Republican Member House Foreign Affairs Chairman House Foreign Affairs Committee Committee DAN BURTO GUS YATRON, MO DOUG BERET GARY L. ACKERMAN, MC

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	Mel Levine MEL LEVINE, MC BE	Ren Pola EN GARRIDO BLAZ MC
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	PETER H. KOSTMAYER, MC	70
	HARRY JOHNSTON, MC	
		AYNE OVENS, MC
	D. E. Lukens DONALD E. LUKENS, MC	LEANA ROS-KEHTINEN, MC
	POPERT TORRIG	

Dear Congressman Fascell:

Thank you for your recent letter to the President, cosigned by 28 of your colleagues on the House Foreign Affairs Committee, expressing your support for Taiwan's application to become a full party to the General Agreement of Trade and Tariffs (GATT).

We appreciate being apprised of both your support of Taiwan's application and your views regarding the possible reaction of the People's Republic of China. I have taken the liberty of sharing your comments with the President's foreign and trade policy advisors so that they, too, are aware of your views in this regard.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure Assistant to the President for Legislative Affairs

The Honorable Dante B. Fascell House of Representatives Washington, D.C. 20515

FDM:SLM:jfc (5FDMG) GATT-H.pf

cc: w/copy of inc to USTR - for appropriate action

cc: w/copy of inc to Department of State - FYI

cc: w/copy of inc to Department of Commerce - FYI

cc: w/copy of inc to NSC - FYI

cc: w/copy of inc to Office of Policy Development, Steve Farrar - FYI

INCOMING

DATE RECEIVED: MAY 25, 1990

MANAGEMENT.

NAME OF CORRESPONDENT: MR. CHIN-MING HUA

SUBJECT: EXPRESSES CONCERN REGARDING THE UNFAIR

TREATMENT TAIWAN HAS SUFFERED DURING ITS APPLYING FOR THE GENERAL AGREEMENT ON TRADE

AND TARIFF (GATT)

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS

C. Goodwie

全美台灣同鄉聯誼會 TAIWAN BENEVOLENT ASSOCIATION OF AMERICA

5541 NICHOLSON LANE, #200 ROCKVILLE, MARYLAND 20852 (301) 231-5477

President George Bush White House 1600 Penneylvania Avenue Washington D.C. 20001

May 18, 1990

Dear Mr. President:

As a group of loyal citizens to the United States, we appreciate very much your leadership and your kind patronage to the Chinese-Americans in your administration.

Mr. President, as you know, the Republic of China (ROC) on Taiwan had been a close ally fighting hand in hand with the United States during the Second World War. Also, Taiwan has played as an cooperative role that is constructive to the U.S. interests in its effort of leading to the economic prosperity and strategic stability in the Pacific Asia. Thanks to its material affluence and robust economy, Taiwan has become the fifth largest trade partner of the United States in the past several years. This economic relations, added by cultural exchanges, tends to be a solid basis for the furthering cooperation between Taiwan and the United States in the future.

As Taiwan created an "economic miracle" during the 1970s and 1980s, the ROC government is currently in the process of making a "political miracle" by accelerating its political democratization.

In this context, we strongly concern about the unfair treat Taiwan has suffered during its applying for the General Agreement on Trade and Tariff (GATT) as a member. Taiwan's willingness to contribute to the international economic community has been ruthlessly distorted without regard to its good performance in that particular arena. To remedy this unfair situation, we urge you, the President of the United States, to support Taiwan's effort in entering the GATT. We are sure that your timely and valuable support will be beneficial to the interest of the United States and also conducive to the future prosperity of the Pacific-Asian economy.

Thank you for your attention and consideration on this matter.

Sincerely yours,

Chin-ming Hua

DEPUTY UNITED STATES TRADE REPRESENTATIVE EXECUTIVE OFFICE OF THE PRESIDENT WASHINGTON, D.C. 20506

Mr. Chin-ming Hua Taiwan Benevolent Association of America 5541 Nicholson Lane, #200 Rockville, Maryland 20852

JUL 27 1966

Dear Mr. Hua:

The President has asked me to follow-up on the White House response to your letter of May 18, 1990, concerning the application by Taiwan for accession to the General Agreement on Tariffs and Trade (GATT). Taiwan's decision to submit a request for GATT contracting party status on January 1, 1990, was an important development. With Taiwan's application, we have a unique opportunity to bring under GATT discipline one of the last major market-price based trading entities outside the GATT system. The considerations you note in your letter clearly illustrate the reasons that Taiwan's inclusion in the GATT system will benefit U.S. bilateral and multilateral trade goals.

Taiwan has tried to avoid political controversy by applying as the Customs Territory of Taiwan, Penghu, Kinmen and Matsu, rather than under a more politically contentious title. Nevertheless, this request presents political difficulties. While the GATT does not require political sovereignty for GATT participation, the People's Republic of China strongly objects to consideration of Taiwan's request for GATT membership, equating this with political recognition of the Taiwan regime. As a consequence, the GATT Contracting Parties have delayed placing the issue on the Council agenda in order to reflect on the application and on how it can be addressed in the GATT.

I continue to believe that the eventual accession of Taiwan to the GATT will greatly benefit U.S. commercial and trade policy interests, and the international trading system as a whole. We will work with other GATT contracting parties to address the problems that face eventual initiation of the GATT review of Taiwan's request, and we appreciate your continued support for our efforts.

Sincerely yours,

Julius L. Katz

JLK:ckj

INCOMING

DATE RECEIVED: JUNE 15, 1990

NAME OF CORRESPONDENT: THE HONORABLE GLENN M. ANDERSON

SUBJECT: URGES THE PRESIDENT TO SUPPORT TAIWAN'S
APPLICATION FOR FORMAL MEMBERSHIP AS A
CUSTOMS TERRITORY IN THE GENERAL AGREEMENT

ON TARIFFS AND TRADE (GATT)

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IT012

GLENN M. ANDERSON 320 DISTRICT, CALIFORNIA

2329 RAYBURN HOUSE OFFICE BUILDING WASHINGTON, DC 20515-0532 TELEPHONE: (202) 225-6676

300 LONG BEACH BOULEVARD (P.O. Box 2349) LONG BEACH, CA 90801-2349 TELEPHONE: (213) 437-7665

Congress of the United States House of Representatives Washington, DC 20515-0532

May 29, 1990

PUBLIC WORKS AND TRANSPORTATION

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- CONGRESSIONAL MARITIME CAUCUS

 MEMBER, CONGRESSIONAL
- HISPANIC CAUCUS
- MEMBER, HUMAN
 RIGHTS CAUCUS
 MEMBER, CONGRESSIONAL TRAVEL
- AND TOURISM CAUCUS

 MEMBER, ENVIRONMENTAL AND ENERGY STUDY CONFERENCE

PLEASE ADDRESS REPLY TO MY: E Mc Chine □ WASHINGTON OFFICE C LONG BEACH OFFICE

The President The White House Washington, D.C. 20500

Dear Mr. President:

I urge you to throw your full support behind Taiwan's application for formal membership as a customs territory in the General Agreement on Tariffs and Trade (GATT).

From time immemorial, U.S. foreign policy has been based on liberalizing global trade. It was the United States which predicated its nineteenth century diplomatic agenda on an "open door" to China. This was long before communism was a power in the world. Our policy then was based on the principle that the number one priority of this nation was and is commerce. There is no reason to abandon this precedent today. Excluding a country of Taiwan's status from an international commercial agreement would be hard to justify in any political context, let alone the present one.

I represent the Thirty Second Congressional District of California, one whose prosperity is dependent upon the tides of international commerce which flow through the ports of Long Beach and Los Angeles, the largest two ports in the nation. For this reason, I presently support the Administration's decision to renew Most Favored Nation status for the People's Republic of China. For the same reason, I support extending GATT membership to Taiwan.

Taiwan is the thirteenth largest trading nation in the world and our own fifth largest trading partner. Bilateral trade between our two countries was valued at 35 billion dollars last year. In comparison, trade between the U.S. and the People's Republic of China was valued at 17 billion dollars, less than half that. On purely commercial grounds, the numbers themselves ought to be reason enough to include Taiwan in GATT. Excluding this loyal ally from such a vital organization to appease the sensibilities of the government which perpetrated the Tiananman Square massacre undermines both our moral stature and our historical role as the world's leading advocate of free trade.

It is my belief that America should work to decouple her trade relationships from the contentious and controversial political issues which will always exist between Taiwan and the People's Republic of China. For the sake of our own pressing national self interest, I urge you to reconsider supporting Taiwan's application for membership as a customs territory under GATT.

Sincerely,

GMA/ww

GLENN M.

Member of Conquess

June 19, 1990

Dear Congressman Anderson:

Thank you for your recent letter to the President regarding Taiwan's application for formal membership in the General Agreement on Tariffs and Trade (GATT).

We appreciate your endorsement of Taiwan's application as a customs territory and being apprised of your constituents' interests. I have taken the liberty of sharing your comments with the President's trade policy advisors so that they, too, are aware of your views.

Thank you again for writing.

With best regards,

Sincerely,

Frederick D. McClure Assistant to the President for Legislative Affairs

The Honorable Glenn M. Anderson House of Representatives Washington, D.C. 20515

FDM:SLM:

bcc: w/ copy of inc to USTR - for

appropriate action

bcc: w/ copy of inc to Dept. of Commerce -

FYI

bcc: w/ copy of inc to Dept. of State -

FYI

bcc: w/ copy of inc to NSC - FYI

INCOMING CORRESPONDENCE TRACK

DATE RECEIVED: JUNE 29, 1990

IT 012

NAME OF CORRESPONDENT: THE HONORABLE PATRICIA SAIKI

SUBJECT: URGES THE PRESIDENT TO SUPPORT TAIWAN'S

APPLICATION TO THE GENERAL AGREEMENT ON

TARIFFS AND TRADE (GATT)

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PATRICIA SAIKI 1ST DISTRICT, HAWAII

OFFICE ADDRESS: 1609 LONGWORTH BUILDING WASHINGTON, DC 20515 (202) 225-2726 FAX (202) 225-4580

DISTRICT OFFICE: 300 ALA MOANA BOULEVARD, ROOM 4104 PRINCE KUHIO FEDERAL BUILDING HONOLULU, HI 96850 (808) 541-2570 FAX (808) 541-2579 Merlow



Congress of the United States House of Representatives

Washington, DC 20515

June 12, 1990

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

FINANCIAL INSTITUTIONS HOUSING AND COMMUNITY DEVELOPMENT ECONOMIC STABILIZATION INTERNATIONAL DEVELOPMENT, FINANCE, TRADE AND MONETARY POLICY

COMMITTEE ON MERCHANT MARINE AND FISHERIES

FISHERIES AND WILDLIFE CONSERVATION AND THE ENVIRONMENT OCEANOGRAPHY

SELECT COMMITTED C 4 AGING

The Honorable George H.W. Bush The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear Mr. President:

We are writing to urge you to support Taiwan's application to the General Agreement on Tariffs and Trade (GATT). As our fifth largest trading partner and the thirteenth largest trading entity in the world, Taiwan deserves to be a member of this multi-national body that governs international trade agreements.

Taiwan has made considerable progress in eliminating many of its foreign trade barriers, and was removed this year from the Administration's "priority watch list", established by the 1988 Trade Act. Not only has Taiwan made great strides in eliminating its trade barriers, it has made considerable progress in creating a more democratic society.

Meanwhile, mainland China has been moving in the opposite direction, toward political oppression and away from free market economic principles. By urging GATT to approve Taiwan's admission before that of the PRC, the United States would send a powerful signal to China's leaders and the world that America looks favorably on governments that promote freedom and open markets.

We respectfully urge you to support Taiwan's application to GATT.

Sincerely,

Patricia Saiki, M.C.

Chuck Douglas

Tom Lewis, M.C.

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DEPUTY UNITED STATES TRADE REPRESENTATIVE EXECUTIVE OFFICE OF THE PRESIDENT

WASHINGTON, D.C. 20506

SEP - 7 1990

The Honorable Chuck Douglas U. S. House of Representatives Washington, D.C. 20515

Dear Congressman Douglas:

This is in further response to your June 12 letter to the President, co-signed by 40 of your colleagues, concerning the application by Taiwan for accession to the General Agreement on Tariffs and Trade (GATT). I share your perspectives on Taiwan's growing commercial importance and the value of its recent trade liberalizing measures, and it is clear that both bilateral and multilateral U.S. trade interests would be served if Taiwan negotiated membership in the GATT. Taiwan's decision on January 1 of this year to submit a formal request for GATT contracting party status presents us with a unique opportunity to bring under GATT discipline one of the last major market-price based trading entities outside the GATT system, and to foster its future development along GATT lines.

Taiwan has taken great care to avoid politicizing its approach to the GATT, particularly in its request to apply only as the Customs Territory of Taiwan, Penghu, Kinmen and Matsu, rather than under a more politically contentious title. Nevertheless, this request presents political difficulties. The GATT does not require political sovereignty for GATT participation, but the People's Republic of China strongly objects to any consideration of an independent request by Taiwan for membership in this international organization, equating this with political recognition of the Taiwan regime. As a consequence, the GATT Contracting Parties have delayed formal consideration of the request in order to reflect on Taiwan's application and on how it can be addressed in the GATT.

I continue to believe that the eventual accession of Taiwan to the GATT will serve U.S. commercial and trade policy objectives, and will benefit the international trading system as a whole. We will work with other GATT contracting parties to address the problems that face eventual initiation of the GATT review of Taiwan's request, and we seek your continued support for our efforts.

Sincerely,

Julius L. K

JLK:ckm

INCOMING

DATE RECEIVED: DECEMBER 28, 1990

NAME OF CORRESPONDENT: THE HONORABLE DAVID M. KENNEDY

SUBJECT: URGES THE ACCEPTANCE OF TAIWAN'S APPLICATION

TO BECOME A MEMBER OF THE GENERAL AGREEMENT

ON TARIFFS AND TRADE

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MANAGEMENT.

200975

USA-ROC ECONOMIC COUNCIL

P. O. Box 517

Crystal Lake, Illinois 60014 Phone 815/459-5875 - Facsimile 815/459-5011

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ROBERT T. YAHNG Baker & McKenzie December 27, 1990

President George Bush The White House Washington DC 20500 EXECUTIVE DIRECTORS

DAVID M. KENNEDY Chairman of the Executive Committee

WILLIAM F. ATKIN Baker & McKenzie

DAVID N. LAUX Ex Officio

JOHN L. MOORE, JR. Bechtel Group, Inc.

ROBERT P. PARKER McCutchen, Doyle, Brown & Enersen

Dear Mr. President,

Thank you for your very nice letter of October 31, 1990 on the occasion of the Fourteenth Annual Joint Business Conference of the USA-ROC Economic Council and your very kind words to me on my retirement as Chairman. My wife and I are most grateful.

May I take this occasion to give you my views on an issue of importance to our Council, and to the United States.

Of the top twenty trading economies in the world, Taiwan is the only one which is not a member of the General Agreement on Tariffs and Trade (GATT). Of all the nations in East Asia, Taiwan is the only significant non-Communist economy which is not a member of the GATT. In short, Taiwan is the largest trading entity outside of the GATT, the "Club" of International Traders, and its absence is increasingly a major anomaly which needs to be corrected.

Taiwan has earned a place at the GATT table. It is the world's 13th largest trading economy and the US' 5th largest trading partner. It has the world's second largest foreign exchange reserves and has become the biggest or one of the biggest foreign investors in the Philippines, Thailand, Malaysia and Indonesia. Taiwan is providing significant financial or economic aid to areas of importance to the United States, such as Costa Rica, Panama, the Philippines, the Dominican Republic and Eastern Europe. Taiwan is committed to the principles of a market economy and a democratic political system. And Taiwan supports the goals of the Uruguay Round.

Taiwan has made substantial progress over the last four years in allowing greater market access, in reducing tariffs, in liberalizing its financial markets, in opening up its service sector, and in protecting intellectual property rights. The US has borne the main burden of persuading or negotiating with Taiwan to make these changes. GATT provides the much needed multilateral forum for moving Taiwan the rest of the way. The time has come, not only for the trading world to benefit from the contribution that Taiwan can make to the GATT community, but also for Taiwan to be under international trade discipline.

For their part, Taiwan has chosen the least objectional name possible to the PRC for its accession to the GATT - the "Customs Territory of Taiwan, Penghu, Kinmen and Matsu". For other GATT members, it has been made clear by UN precedent, that voting for GATT membership for an entity does not imply diplomatic recognition of that entity. Moreover, Taiwan has also walked the extra mile by agreeing to come into GATT as a developed nation, even though this imposes a much more rigorous discipline upon them than entering under developing nation status.

In sum, on economic grounds, there are overwhelming reasons why Taiwan should be in the GATT.

There are other reasons why I recommend the US take a stronger position now than it has in the past in supporting Taiwan's application to join the GATT. US business firms are facing an increasingly tough competitive environment in Taiwan, especially from European firms. US influence in Taiwan is not what it used to be. I think the psychological impetus of a strong US supportive position on Taiwan's GATT application would be helpful to US business. With billions of dollars worth of major projects coming up in Taiwan's new 6-year economic plan, including nuclear power plants, new or expanded rapid transit sytems, ports, airfields, telecommunication systems and environmental protection projects, this is important.

I think it is important to US objectives towards the PRC that Taiwan, as an alternative economic and social system dedicated to a market economy and political democracy, continue to be healthy and prosperous and increasingly integrated into the international economy. The leaders in Beijing get many of their ideas for economic and other reforms from observing what works in Taiwan, Hong Kong, Singapore, South Korea and other rapidly developing Asian economies.

As you know better than anyone, we should do what is in the US national interest when it is right. The PRC's position in the middle east crisis has been established with its absention on the recent UN vote. The PRC's future position on middle east issues will be governed by the PRC's interests in the middle east, not by anything the US does for Taiwan.

Finally, the question is, what is right? It is right that Taiwan be in the GATT. It is not right that Taiwan continue to be excluded. If the US is to continue to be a world leader, we must take the lead on issues that are right. If we move to support Taiwan's application to the GATT, the other trading nations will join us. If we continue to hold back, the others will continue to hold back.

Mr. President, Taiwan applied a year ago for entry to the GATT. While the US has supported its application, our support has been lukewarm and we have held back from pressing for Taiwan's immediate entry and done nothing to help establish a GATT Working Group on Taiwan. Meanwhile, a Working Group has been considering

the PRC application for some time. I strongly recommend that you take the steps necessary to support the entry of Taiwan into the GATT as soon as possible.

Mr. President, as Chairman of the USA-ROC Economic Council, I have not gotten involved in a major issue like this since the Taiwan Relations Act in 1979. In my 14 years as Chairman I have felt it important that the Council stick to business. But this is a major economic issue with significant business implications. I think that it is right, and that it is in the US' and the world's interest that Taiwan be in the GATT soon.

Thank you for your time and consideration.

Sincerely,

David M. Kennedy

Chairman

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20508

January 22, 1991

Mr. David M. Kennedy Chairman of the Board USA-ROC Economic Council P.O. Box 517 Crystal Lake, Illinois 60014

Dear Mr. Kennedy:

I appreciate very much your note of December 28, 1990, and your sending me copies of your letters to the President and Secretary Baker concerning the application by Taiwan for accession to the General Agreement on Tariffs and Trade (GATT). You are correct that I share your views on the benefit to U.S. bilateral and multilateral trade goals of Taiwan's application. It presents us with a unique opportunity to bring under GATT discipline one of the last major market-price based trading entities outside the GATT system, and to strengthen the role of the GATT in Pacific Rim trading. Your thoughtful and comprehensive letter to the President persuasively supports this point of view.

It is clear that Taiwan has tried to avoid political controversy by applying as the Customs Territory of Taiwan, Penghu, Kinmen and Matsu. Nevertheless, the objection of the People's Republic of China (PRC) to the consideration of Taiwan's request has delayed the initiation of actual accession negotiations with Taiwan, as contracting parties reflect on the application and on how it can be addressed in light of the political issues raised by the PRC.

I continue to believe that the eventual accession of Taiwan to the GATT will greatly benefit U.S. commercial and trade policy interests, and the international trading system as a whole. We will work with other GATT contracting parties to address the problems that face eventual initiation of the GATT review of Taiwan's request, and we appreciate your continued support for our efforts.

Sincerely,

/s/

Carla A. Hills

CAH: kam

IT 012

INCOMING

DATE RECEIVED: JULY 16, 1991

NAME OF CORRESPONDENT: THE HONORABLE LARRY E. CRAIG

SUBJECT: URGES THE PRESIDENT'S SUPPORT OF TAIWAN'S

APPLICATION TO BECOME A CONTRACTING PARTY TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE

(GATT)

	ACTION	DISPOSITION
ROUTE TO: OFFICE/AGENCY (STAFF NAME)		TYPE C COMPLETED RESP D YY/MM/DD
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

LARRY E. CRAIG IDAHO HART SENATE OFFICE BUILDING (202) 224-2752

United States Senate

ENERGY AND NATURAL RESOURCES SPECIAL COMMITTEE ON AGING

* AND FORESTRY

AGRICULTURE, NUTRITION

WASHINGTON, DC 20510-1203

July 12, 1991

The President The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear President Bush:

I am writing to urge your support of Taiwan's application to become a Contracting Party to the General Agreement on Tariffs and Trade (GATT).

I realize the political sensitivity of this situation, but without the leadership of the United States it does not appear that the GATT will take action. The accession request submitted in January of 1990 continues to lie dormant.

The merits of Taiwan's application are evident. Therefore, it is frustrating that their accession request has not had the benefit of the standard GATT Council practice of prompt placement on the agenda. The People's Republic of China's influence in this situation is very apparent, and I am compelled to express my frustration in a non-member's ability to interfere with the application of another territory.

As you know, Taiwan is the largest market economy to remain outside of the GATT. They are our sixth largest trading partner and rank thirteenth internationally. They also conduct a substantial amount of trade with my state, Idaho. Such an important participant in the world market should not continue to be excluded from the main regime covering international trade. Bringing Taiwan into the GATT would be of benefit to the United States and its economy.

Given the present debate on Most Favored Nation (MFN) trade status for China, it would be very beneficial to have an official commitment and actions taken toward supporting Taiwan's accession request at this time.

Although the application is perceived as being politically sensitive, it should be based on economics and trade, and not held back for politics. I appreciate your consideration of my thoughts on this important issue.

Simeerely,

LARRY E. CRAIG

United States Senator

LEC/ec

Dear Larry:

Thank you for your recent letter to the President urging support of Taiwan's application for membership in the General Agreement on Tariffs and Trade (GATT).

We appreciate being advised of your interest in this regard. In an effort to be of assistance, I have shared your letter with the President's trade and foreign policy advisors for their prompt review.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure Assistant to the President for Legislative Affairs

The Honorable Larry E. Craig United States Senate Washington, D.C. 20510

FDM:TBA:

bcc: w/ copy of inc to USTR - for Direct Response bcc: w/ copy of inc to Dept. of Commerce - FYI

bcc: w/ copy of inc to NSC - FYI

bcc: w/ copy of inc to Dept. of State - FYI

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20506

October 29, 1991

The Honorable Larry E. Craig United States Senate Washington, D.C. 20510

Dear Senator Craig:

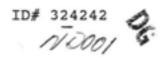
This is in further response to your July 12 letter to the President urging U.S. support for Taiwan's request for accession to the General Agreement on Tariffs and Trade (GATT). My Office shares your positive view of Taiwan's efforts to take up contracting party status with the General Agreement. The size and importance of its trading position, both with the United States and worldwide, confirms the importance to U.S. commercial and trade policy interests of Taiwan's application. This application offers a unique opportunity to bring under GATT discipline one of the last major market-price based trading entities outside the GATT system, and to foster its future development along GATT lines.

As you are doubtless aware, President Bush addressed this issue in a letter to several Members of Congress dated July 19, 1991, stating that the "United States will begin to work actively with other contracting parties to resolve in a favorable manner the issues relating to Taiwan's GATT accession."

We will continue to work to implement the President's commitment, in concert with other interested GATT contracting parties. Thank you for your communication, and for your support on this issue.

Sincerely

Carla A. Hills



INCOMING

DATE RECEIVED: APRIL 27, 1992

92 APR 30 PH 12: 21

NAME OF CORRESPONDENT: THE HONORABLE BARRY GOLDWATER

SUBJECT: SUGGESTS THAT THE PRESIDENT HAVE SOMEONE LOOK AT A FIGHTER PLANE COMPLETED BY TAIWAN AND POWERED WITH AN AMERICAN-MADE ENGINE FOR POSSIBLE PURCHASE BY THE U.S.

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

324242

Mutary Surneuter

Barry Goldwater

P. D. BOX 1601 SCOTTSDALE, ARIZONA 85252

April 23, 1992

The President
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear Mr. President:

This letter may surprise you, coming from an old friend of fighter planes, to you, an experienced fighter pilot, but I would feel wrong if I didn't write this letter.

As you know, I've had a long close friendship with the island of Taiwan, and a closer relationship with their Air Force. It is about this that I write. They have completed a fighter plane, that has over 800 test flights, and has performed perfectly; this comes from one who has been a fighter nut since the time he was just of age. This fighter plane is small, meticulously made, and powered with an American made engine. The people of Arizona contributed to the TFE1042-70 engine program in the design, development, and manufacturing areas. Currently it is in production, and by 1994 this program will have contributed \$1 billion U.S. dollars to our Arizona economy. I think it would do you very well to have someone look at this aircraft, with the possibility that we might buy it. I say this to you, because I believe this aircraft will sell for around \$20 to \$24 million, or less. A lot different that the fighter planes we sell, and this one is a 1.8 mach, a high altitude bird, and carries sufficient outside weapons to justify any cost. Therefore, I urge you to have someone look at this, with the idea that we might include it.

With pespect,

Copy: The Honorable Frederick Chien

THE WHITE HOUSE

WASHINGTON

June 23, 1992

Dear Senator Goldwater:

Thank you for your letter of April 23 suggesting we consider the Taiwan Indigenous Defense Fighter (IDF) in our future force modernization program.

We have, in fact, studied the IDF as a potential replacement for the multi-role force after the year 2000. Your description of the fighter as a lightweight and moderately priced aircraft is accurate. The Air Force is now in the very first stages of determining specific requirements for the future multi-role fighter, however, a decision is not imminent. We certainly will not be ready for competitive bids for several years. Initial studies point to range requirements in excess of current F-16 capabilities and at least an equivalent payload, if not greater. At first glance, the IDF does not seem to be competitive with the F-16, or a new fighter, in these areas. In addition, we must be certain the multi-role fleet of the future is supportable and cost effective to maintain and operate.

That said, the Air Force is examining the Garrett engine program to see which technologies used in the TFE1042 might be applicable to a new multi-role fighter and is monitoring all development programs to capitalize on industry efforts in engine design.

As the program matures, the Air Force will consider all options for filling the Air Force need for a follow-on to the F-16.

Again, thank you for your interest and support.

Sincerely,

Brent Scowcroft

The Honorable Barry Goldwater P.O. Box 1601 Scottsdale, Arizona 85252

ND 001

INCOMING

DATE RECEIVED: JULY 17, 1992

NAME OF CORRESPONDENT: THE HONORABLE JOE BARTON

SUBJECT: URGES THE PRESIDENT TO SUPPORT THE

INTERAGENCY REVIEW OF THE U.S. AND CHINA AGREEMENT REGARDING TAIWAN AND THE PROPOSED

SALE OF F-16'S FROM THE U.S.

			ACTION		DISPOSITION	
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KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

8

JOE BARTON 6TH DISTRICT, TEXAS

HOME OF THE SSC NATIONAL LABORATORY

1225 LONGWORTH BUILDING WASHINGTON, DC 20515-4306 (202) 225-2002



DEPUTY REPUBLICAN WHIP

COMMITTEE ON ENERGY AND COMMERCE

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

Congress of the United States House of Representatives

Washington, DC 20515-4306

July 16, 1992

The Honorable George Bush President of the United States The White House Washington, D.C. 20500

Dear Mr. President:

Caro.

I am writing concerning the impending sale of French Mirage 2000 fighter planes to Taiwan. It is my understanding that the Taiwanese government would prefer to buy F-16's from the United States.

I met with General Dynamics officials, who build the F-16, on July 14th. They informed me that currently F-16's can not be sold to Taiwan due to an existing agreement between the United States and mainland China. It has been brought to my attention that this agreement is currently under interagency review by the Department of Defense, the Department of State, and the National Security Council. I can not emphasize enough how important this sale is to the economic welfare of the United States. It will mean thousands of U.S. jobs and an immediate three billion dollar cash infusion into the U.S. economy.

Unfortunately, because of existing U.S. policy, Taiwan plans on purchasing sixty Mirage 2000 from the French Government, and may buy an additional 120 in 1993. If the United States could sell 150 F-16's to Taiwan instead, it would mean direct income into the U.S. of \$9 billion and a job impact of 118,605 man years.

I believe that in the very near future you will have before you the recommendation of the interagency review. I hope that recommendation will be to allow the sale of F-16 fighters to Taiwan. I want to encourage you to accept that recommendation, if it is made. American jobs and the American economy will greatly benefit if you do.

Je Barton Nember of Congress

JB:hs

BRYAN/COLLEGE STATION OFFICE: 809 E. UNIVERSITY, SUITE 222 COLLEGE STATION, TX 77840-2116 (409) 846-1985 CONROE OFFICE: 300 WEST DAVIS, SUITE 507 CONROE, TX 77301-2803 (409) 780-2291 ENNIS OFFICE: 303 West Knox, Surte 101 Ennis, TX 75119-3942 (214) 875-8488 FORT WORTH OFFICE: 3509 HULEN, SUITE 103 FORT WORTH, TX 76107-6811 (817) 737-7737

July 20, 1992

Dear Joe:

Thank you for your recent letter to the President expressing your support for the sale of F-16 aircraft to the government of Taiwan.

We appreciate being advised of your support for a prompt review of the proposed transaction. I have shared your letter with several of the President's advisors in this matter for their review.

Thank you again for writing.

With best regards,

Sincerely,

Nicholas E. Calio Assistant to the President for Legislative Affairs

The Honorable Joe Barton House of Representatives Washington, D.C. 20515

NEC:JHH:

bcc: w/ copy of inc to NSC - for direct response

bcc: w/ copy of inc to DOS - FYI
bcc: w/ copy of inc to DOD - FYI
bcc: w/ copy of inc to USTR - FYI

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: AUGUST 21, 1992

NAME OF CORRESPONDENT: THE HONORABLE ROBERT G. TORRICELLI

SUBJECT: URGES THE PRESIDENT TO RECONSIDER HIS

DECISION AND REVERSE HIS POSITION ON THE

SALE OF F-16 AIRCRAFT TO TAIWAN

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KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

ROBERT G. TORRICELLI 9TH DISTRICT, NEW JERSEY

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HEMISPHERE AFFAIRS
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WASHINGTON OFFICE 317 CANNON HOUSE OFFICE BUILDING WASHINGTON, DC 20916-3009 202-225-8081

> DISTRICT OFFICE: COURT PLAZA 25 MAIN STRIET HACKENSACK, NJ 07601, 201-646-1111

Congress of the United States

House of Representatives

August 20, 1992

Washington, DC 20515-3009

The Honorable George Bush President of the United States The White House Washington, DC 20500

Dear Mr. President:

I am concerned about existing policy relating to the sale of F-16 aircraft to Taiwan. Throughout the last decade, the United States has refused to sell Taiwan fighter aircraft as a result of our relationship with the People's Republic of China (PRC). Today, however, the changing economic and political climate in Southeast Asia and worldwide demands that this policy be reconsidered.

Since the demise of the Soviet Union, the PRC has launched a campaign to upgrade its military air power capacity. Chinese officials recently announced that they had purchased 48 Su-27 fighter jets from Russia and that they expect to purchase another 24 Su-27 jets and 24 MiG-31 fighter interceptors in the future. China is also in the process of building a factory in which it plans to manufacture 200 of its own MiG-31s. This buildup is of deep concern to many of our allies in the region and will certainly have an adverse impact on the balance of power in East Asia.

To meet its new security needs, the government of Taiwan has decided to bolster its air defenses. However, when Taiwan petitioned the United States to buy American F-16 aircraft, the sale was denied. As a consequence, the Taiwanese have turned to France to purchase Mirage 2000-5 fighter jets. A contract with France appears imminent.

Our policy to deny Taiwan the sale of these fighter aircraft must be re-examined. Not only does it jeopardize Taiwan's security, but it could cost thousands of American aerospace jobs and threatens the viability and competitiveness of our domestic aerospace industry. We also must question whether it makes sense to deny our aerospace industry the benefits of this sale when Taiwan will end up with a similar product from France.

In addition, there is no legal impediment to proceeding with the transaction. The Taiwan Relations Act of 1979, which defines our relationship with Taiwan, does not prohibit the sale of military aircraft to the island. The President August 20, 1992 Page 2

In light of all of the above, I urge you to reconsider your decision and reverse your position on the 1-16 transaction.

Sincerely,

ROBERT G. TORRICELLI Member of Congress

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

*X-INTERIM REPLY

DATE RECEIVED: AUGUST 21, 1992

ND 001

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NAME OF CORRESPONDENT: T	HE HONORABLE WILL	IAM DONALD SCHAEFE	R
SUBJECT: URGES THE PRESI	O TAIWAN	HE SALE OF	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

Same #346335?

STATE OF MARYLAND

EXECUTIVE DEPARTMENT

WASHINGTON OFFICE 444 NORTH CAPITOL ST., NW *315 WASHINGTON, D. C. 20001

August 18, 1992

The Honorable George Bush President of the United States White House Washington, DC 20500

Dear President Bush:

I was very happy to hear that you are reconsidering the sale of F-16 aircraft to Taiwan. Unlike other programs, the F-16 pays for itself with foreign dollars by generating both direct and indirect U.S. tax revenues. The sale of 160 F-16's to Taiwan not only means hundreds of jobs for Marylanders, but also will provide (over 20 years) the United States with \$11 billion in positive trade, 340,000 man-years of employment and nearly \$3 billion in tax revenue. Additionally, for every F-16 FMS sale, \$1 million in defense research and development is recouped.

The shrinking defense budget has had a severe impact on Maryland and the nation's economy. The rapid decline in defense spending is causing overcapacity problems in Maryland, as well as other states, and many contractors may not survive. Selling F-16's to Taiwan means jobs for Americans and security for a friendly nation. Denial of the F-16 sale will result in Taiwan acquiring French Mirage Fighters at the expense of the American economy.

Now is the time to confront the American jobs issue. I heartily endorse the F-16 sale to Taiwan, and hope your decision will be favorable.

Sincerely.

Governor

macy

ID#337866 CU ND013

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

THE WHITE HOUSE

WASHINGTON

July 15, 1992

MEMORANDUM FOR PHILLIP D. BRADY

FROM:

STEPHEN G. RADEMAKER

ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT:

Enrolled Bill H.R. 5412 -- Transfer of Certain

Naval Vessels to Greece and Taiwan

Pursuant to your request, Counsel's Office has reviewed the above-referenced matter. We have no objection to the enrolled bill.

Thank you for bringing this matter to our attention.



EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

July 15, 1992 2 JUL 15 A9: 00

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 5412 - Transfer of Certain Naval

Vessels to Greece and Taiwan

Sponsors - Reps. Fascell (D) FL and Broomfield (R) MI

Last Day for Action

July 24, 1992 - Friday

Purpose

Authorizes the transfer of four naval vessels to Greece and three naval vessels to Taiwan.

Agency Recommendations

Office of Management and Budget Approval

Department of Defense Approval Department of State

Approval (Informally) National Security Council Approval (Informally)

Discussion

H.R. 5412, which the House and Senate passed by voice vote, consolidates two Administration legislative proposals into one bill. The enrolled bill authorizes the Secretary of the Navy to:

- -- lease the "KNOX" class frigates VREELAND, TRIPPE, and CONNOLE to the Government of Greece;
- -- transfer the "CHARLES F. ADAMS" class guided missile destroyer BERKELEY to the Government of Greece: and
- -- lease the "KNOX" class frigates BREWTON, ROBERT E. PEARY, and KIRK to the Coordination Council for North American Affairs, which is a Taiwanese governmental entity.

H.R. 5412 requires the Governments of Greece and Taiwan to assume all costs associated with the respective leases, as well as any liabilities based upon U.S. ownership of the vessels during the period of the leases. Both the respective leases and the proposed transfer must be in accord with specified U.S. statutes.

Scoring for the Purpose of Pay-As-You-Go

H.R. 5412 would increase offsetting receipts to the Federal Government. The bill, therefore, is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. This Office estimates that the pay-as-you-go effect of the bill is to reduce the deficit by \$22.8 million during FYs 1992-97.

Conclusion and Recommendations

On behalf of the Secretary of Defense, Navy advises that "[t]he first ships were scheduled to be transferred to Greece and Taiwan on 30 June and 2 July, respectively." Accordingly, Navy recommends that "the President expeditiously approve . . . H.R. 5412." We join Defense, State, and the National Security Council in recommending approval of H.R. 5412.

Richard Darman

Director

Enclosures

One Hundred Second Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Friday, the third day of January, one thousand nine hundred and ninety-two

An Act

To authorize the transfer of certain naval vessels to Greece and Taiwan.

Be it enacted by the Senate and House of Bepresentatives of the United States of America in Congress assembled,

SECTION 1. AUTHORITY TO LEASE CERTAIN VESSELS TO GREECE.

(a) In General.—The Secretary of the Navy is authorized to lease the "KNOX" class frigates VREELAND (FF-1068), TRIPPE (FF-1075), and CONNOLE (FF-1056) to the Government of Greece. A lease under this section may be renewed.

(b) AFFLICABLE LAW.—Any such lease shall be in accordance with chapter 6 of the Arms Export Control Act (22 U.S.C. 2796 and following), except that section 62 of that Act (22 U.S.C. 2796a; relating to reports to the Congress) shall apply only to renewals of the lease.

relating to reports to the Congress) shall apply only to renewals of the lease.

(c) CONSIDERATION FOR LEASE.—Notwithstanding section 321 of the Act of June 30, 1932 (40 U.S.C. 303b), the lease of a ship pursuant to this section may provide, as part of the consideration for the lease, for the maintenance, protection, repair, or restoration of the ship by the Government of Greece.

(d) Cours of Thansfers.—Any expense of the United States in connection with a lease authorized by this section, including any liabilities of the United States based on its ownership of a vessel arising during the period of the lease, shall be charged to the Government of Greece.

(e) EXPERATION OF AUTHORITY.—The authority granted by this section to lease a ship described in subsection (a) shall expire at the end of the 2-year period beginning on the date of the enactment of this Act unless the lease is entered into during that period.

SEC. 2. AUTHORITY TO TRANSFER EXCESS VESSEL TO GREECE.

SEC. 2. AUTHORITY TO TRANSFER EXCESS VESSEL TO GREECE.

(a) IN GENERAL.—The Secretary of the Navy is authorized to transfer the excess "CHARLES F. ADAMS" class guided missile destroyer BERKELEY (DDG-15) to the Covernment of Greece.

(b) AFFLICABLE LAW.—Such transfer shall be in accordance with section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321); relating to transfers of excess defense articles), except that subsection (c) of that section (relating to notifications to the Congress) and any similar provision shall not apply.

(c) COSTS OF TRANSFERS.—Any expense of the United States in connection with the transfer authorized by this section shall be charged to the Government of Greece.

(d) EXPERTION OF AUTHORITY.—The authority granted by this section shall expire at the end of the 2-year period beginning on the date of the enactment of this Act.

SEC. 3. AUTHORITY TO LEASE CERTAIN VESSELS TO TAIWAN.

(a) IN GENERAL.—The Secretary of the Navy is authorized to lease the "KNOX" class frigates BREWTON (FF-1086), ROBERT

H.R. 5412-2

H. R. 5412—2

E. PEARY (FF-1073), and KIRK (FF-1087) to the Coordination Council for North American Affairs (which is the Taiwan instrumentality designated pursuant to section 10(a) of the Taiwan Relations Act). A lease under this section may be renewed.

(b) AFFLICABLE LAW.—Any such lease shall be in accordance with chapter 6 of the Arms Export Control Act (22 U.S.C. 2796 and following), except that section 62 of that Act (22 U.S.C. 2796; relating to reports to the Congress) shall apply only to renewals of the lease.

(c) CONSIDERATION FOR LEASE.—Notwithstanding section 321 of the Act of June 30, 1932 (40 U.S.C. 303b), the lease of a ship pursuant to this section may provide, as part of the consideration for the lease, for the maintenance, protection, repair, or restoration of the ship by the Coordination Council for North American Affairs.

(d) COSTS OF TRANSPERS.—Any expense of the United States in connection with a lease authorized by this section, including any liabilities of the United States hased on its ownership of a vessel arising during the period of the lease, shall be charged to the Coordination Council for North American Affairs.

(e) EXPRATION OF AUTHORITY.—The authority granted by this section to lease a ship described in subsection (a) shall expire at the end of the 2-year period beginning on the date of the emertment of this Act unless the lease is entered into during that period.

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.

THE WHITE HOUSE WASHINGTON

January 25, 1992

Dear Madame Chiang:

Thank you for your kind letter and Christmas greetings.

The victory of the coalition in Desert Storm in liberating Kuwait and preventing further aggression would not have been possible without the dedication, courage, and professionalism of the troops who joined together from so many nations. They deserve the credit for that impressive victory.

Best wishes for the New Year.

Sincerely,

Madame Chiang Kai-shek Apartment 9B 10 Gracie Square

New York, New York 10028

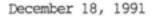
P. S. Your letter word fascinating

I am reading Manchesters Both

on Churchill which touches on some

of the history you so exquently cite

By





President George H. W. Bush The White House 1600 Pennsylvania Avenue Washington, D.C.

DEW Mr. Busiful,

I am keenly aware that as a foreigner one should not say something that could be interpreted as tainted with or tilted with partisanship.

As Desert Storm is an event which has receded into history, I do not think anyone would look askance and say that I as a private person should deprive myself of the right to speak out my thoughts after the historic event. I am reminded that Wilhelm II tried to cultivate Nicholas II together with the Austrian Emperor Franz Joseph in what was known as the Drei Kaiser Bund. Kaiser Whilhelm II did not succeed, and fortunately Nicholas II did not side with Wilhelm II or else Western Europe might well have been overrun by Germany during World War I. It is unfortunate that Czar Nicholas II by joining the correct side came to lose his life because of incompetent generalship such as Samsonov and Rennenkampf, Russian generals and two commanders-in-chief of two different battle fronts who would not speak to one another. Nicholas II's weak leadership and internecine infighting gave the German General Staff an opportunity to bring Lenin and his cohorts in a sealed train from Switzerland to Russia to alleviate the pressure on German troops.

It was German shortsightedness in finding a quick-fix solution and crass callousness that made the Russian people suffer for some seventy five years of tyranny and fifty million deaths and brought on the curse of communism. Autocratic and feudalistic as Czar Nicholas II might have been, I do not believe that he would have been Lenin and Stalin rolled into one to mesmerize and poison the intellectuals of the world, who followed like meek sheep to be physically and/or spiritually led to slaughter.

As a student of history, I know of no instance of such a lonely decision you made and made alone without the support, let alone with consensus of your political and military advisors and experts, although their advice is premised on conviction. From what I am able to understand, United Nations under the leadership of the U.S. would otherwise be still nickeling-and-diming with Sadam Hussein. Considering what the U.N. scientific team has since found, not only Kuwait, Saudi Arabia, Oman and all the Trucial States would have long gone under, and still the United States would have had her hands fully tied merely dealing with the

vagaries of Iraqi megalomania and serious mischief making, playing with lives not only of other peoples but also of the Iraqi people.

I firmly believe that were it not for your irrefrangible decision, things might well have gone the other way and those who caution care, which is almost always so safe under the protection of safe haven, could flippantly retort, "We told you so" and heap every kind of onus on the decision. Unfortunately, from my years of experience, I know whereof I speak. The Free World would still be hamstrung by cautions and conventional wisdom for those who safely dwell under imperviousness.

I am amused to find some who cavil and criticize about having prioritized foreign affairs before economy. Were it not for lancing the boil of Iraq, the U.S. would have had to contend with both, which would have taxed American concern to the extreme. Of course, any President knows that his priority is only the American people whom he serves. To say that the President is not aware of macro problems of the nation and not worrying about them is outlandish to the nadir degree.

Again, I must repeat that the above are my personal detached private views that are so evident and so important to the whole world. Only yesterday on Ted Koppel's Nightline there were picture footages of Neo-Naziism demonstrating, and its Fuehrer being in a noisomely defiant mien. Then also I heard the Kazakhstan President wanting to keep certain nuclear installations within his own country. If I am not mistaken, these sovereign States could make promises to get United States diplomatic recognition, and who can say that as sovereign States they do not have the right to change their minds, Treaty or no Treaty.

 I am sending this letter By Hand so that it would not in any way embarrass you.

With best wishes to Mrs. Bush and Christmas greetings !

Yours sincerely,

Mayling Soong Chiang (Madame Chiang Kai-shek)

Europhing Chining.

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

30 JUN 25 PI2: 46

June 25, 1990

SIGNED 15263555 PROOI

MEMORANDUM FOR THE PRESIDENT

FROM:

BRENT SCOWCROFT Ry

SUBJECT:

Farewell Letter for David N. Laux

Purpose

To obtain your signature on the attached farewell letter for David Laux.

Background

Since December 1986, David Laux has done a superb job as the Chairman and Managing Director of the American Institute in Taiwan (AIT), the organization created in 1979 to handle unofficial, commercial, cultural and other relations between the U.S. and Taiwan.

David is retiring after 37 years in government with the NSC, Commerce, Treasury, State, CIA and the military. He assumes the position of President of the USA-ROC Economic Council in Chicago on August 1, 1990.

You may remember David when he was on the NSC as Director of East Asian Affairs under Gaston Sigur. He met you on numerous occasions and travelled with you and Jim Lilley in October 1985 to China. Jim and David are very close friends.

RECOMMENDATION

That you sign the farewell letter to David Laux at Tab A.

Attachment

Tab A Farewell Letter to David Laux.

cc: Vice President Chief of Staff

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

June 22, 1990

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

FROM:

KARL JACKSON XII

SUBJECT:

Farewell Letter for David N. Laux

David Laux, Chairman and Managing Director of the American Institute in Taiwan (AIT) is retiring from AIT in July 1990. As you know, AIT is the organization which manages the unofficial, commercial, cultural, and other relations between the U.S. and Taiwan. We have prepared a farewell letter for David from the President

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memorandum to the President
Tab A Farewell Letter for David Laux

cc: ADMIN

PLEASE SEND SIGNED ORIGINAL LETTER TO EAST ASIA DIRECTORATE FOR PRESENTATION.

L'X BOOK

THE WHITE HOUSE WASHINGTON

Dear Dave:

As you prepare to end your stint as Chairman and Managing Director of the American Institute in Taiwan (AIT), please accept my sincerest thanks for your distinguished service at AIT and for your contributions to the welfare of this nation throughout your 37 years of government service.

I very much appreciate and compliment you for the superb job you have done in managing relations between the people of the U.S. and the people on Taiwan. The dedication, competence and imagination that you brought to AIT, and to all your government service, has earned you my respect and those of your colleagues. You may be justly proud of your many accomplishments in service to the nation.

Please accept my best wishes for every success in your new position as President of the USA-ROC Economic Council.

Sincerely,

Mr. David N. Laux Chairman of the Board and Managing Director American Institute in Taiwan 1700 N. Moore Street

ID# 013486

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: MARCH 03, 1989

NAME OF CORRESPONDENT: MR. HENRY A. WARNER

SUBJECT: WRITES OF AGREEMENTS TO EXPORT EXCALIBUR

AUTOMOBILES TO EUROPE, JAPAN, TAIWAN AND TO

THAILAND

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING

KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



EXCALIBUR AUTOMOBILE CORPORATION

February 22, 1989

0.

The President
The White House
Washington, D. C. 20013

Dear Mr. President:

As a small American company, Excalibur Automobile Corporation does not presume economic significance. However, recent successes in the export of our automobiles may be of interest.

Although a small company, Excalibur Automobile Corporation enjoys an international reputation for excellence and quality. Within the last few months, Excalibur has begun exporting its products agressively both to Europe and the Far East. Specifically, Excalibur has just completed agreements with Japanese trading companies for exportation of our products to Japan and Taiwan. Exportation to Thailand is expected shortly.

It is our firm belief that our recent sucess as an exporter of domestically produced automobiles, especially to Japan, is a direct result of the federal government's efforts in this regard.

If I or Excalibur Automobile Corporation can assist your efforts concerning international trade, even as a positive example of what is possible for a small American company under your administration, we would be pleased to be of assistance.

We extend our heartfelt congratulations on your election and wish you every continued success.

Respectfully,

EXCALIBUR AUTOMOBILE CORPORATION

Henry A. Warner

President

HAW/nd

Mr. Henry A. Warner President Excalibur Automobile Corporation 1735 South 106th Street Milwaukee, Wisconsin 53214

Dear Mr. Warner:

President Bush has requested that I thank you for your kind letter to him of February 22 in which you extended your congratulations on his election.

In your letter, you also wrote of recent successful efforts by your company to export autos, both to Europe and the Far East. Thank you for your offer of assistance with respect to our efforts concerning international trade. I believe that more small and medium size companies must follow your example and become more aggressive in exporting. This is fundamental to the U.S. significantly improving its international trade situation.

Sincerely,

Joshua B. Bolten Acting

JBB:sjf

J.Bolten:S.Falken:#9095014:4/13/89

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

TA 004-06

INCOMING

DATE RECEIVED: JULY 15, 1991

NAME OF CORRESPONDENT: THE HONORABLE MARCY KAPTUR

SUBJECT: ASKS THE PRESIDENT TO EXTEND THE VOLUNTARY

RESTRAINT AGREEMENT WITH JAPAN AND TAIWAN

REGARDING MACHINE TOOLS BEYOND DEC 91

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING

KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

254047

Fredher -

Congress of the United States

Washington, D€ 20515

July 10, 1991

The Honorable George Bush President of the United States The White House 1600 Pennsylvania Avenue Washington, D.C. 20050

Dear Mr. President:

We write today to call your attention to the fact that the Voluntary Restraint Agreement with Japan and Taiwan regarding machine tools is due to expire at the end of the year.

As recent events in the Persian Gulf have demonstrated, a healthy defense industrial base is absolutely critical to America's capacity to defend its friends as well as its vital interests around the world. We would note, Mr. President, that the machine tool industry is at the heart of that defense industrial base. Without machine tools America could not produce the ships, planes, tanks and guns that are so necessary for our military and industrial operations.

Mr. President, the machine tool VRA has succeeded in stemming the erosion of this vital industrial sector during the past four years. In the process, the VRA has allowed U.S. companies the breathing space to reinvest profits and increase new investment in the machine tool industry in this country. All the more remarkable, this has been accomplished without raising the price of machine tools to U.S. industrial customers.

Yet, while the VRA has been a success to date, it would be dangerous to allow it to lapse at the end of 1991. The low prices and high investment levels that have increased quality while keeping costs to U.S. industry at a minimum have also meant low profit margins. This, in turn, has meant that while the industry has held its own and indeed reversed past erosion, it has not yet built up the competitive edge it would need to meet foreign (often subsidized) competition and satisfy defense mobilization requirements should the VRA be lifted.

As an example of the need to maintain and nurture in the U.S. the basic critical technologies used by machine tools, The National Critical Technologies Panel's <u>Critical Technologies Report</u> warns of the danger of further erosion in all critical technologies related to machine tools to Europe and Japan.

We, therefore, ask you to extend the machine tool VRA beyond December 1991. Such an extension would provide the additional breathing space necessary to complete the rebuilding of this vital segment of our defense industrial base while guaranteeing that our nation will have the capacity to respond to any mobilization contingency. Thank you.

	Sincerely,
MARCY KAPPUR DON PEASE DOUGLAS ARE ASATE	PAUL GILIMOR DENNIS ECKART MECHAEL OXLEY
JASES TRAFICANT Aulu Jules CHARLES LUVEN	Son McEwen
TONY HALL LOWIS STOKES	John BOEHNER MARY ROSE OAKAR
Jon Vauger THOMAS/SAWYER	

The

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

TAOOH-06

INCOMING

DATE RECEIVED: JANUARY 07, 1992

NAME OF CORRESPONDENT: THE HONORABLE JOSEPH LIEBERMAN

SUBJECT: REQUESTS PRESIDENT TO EXTEND RESTRICTIONS ON

EXPORTS OF MACHINE TOOLS FROM JAPAN AND

TAIWAN AND TO INCLUDE NON-COMPUTER CONTROLLED

MILLING MACHINES IN THOSE RESTRICTIONS

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

JOSEPH I. LIEBL.....

ENVIRONMENT AND PUBLIC WORKS
GOVERNMENTAL AFFAIRS
SMALL BUSINESS

United States Senate

WASHINGTON, DC 20510-0703

January 6, 1991

297078 SENATE OFFICE BUILDING WASHINGTON, DC 20510 (202) 224-4041 STATE OFFICE

> ONE COMMERCIAL PLAZA 21st FLOOR

HARTFORD, CT 06103 203-240-3566 TOLL FREE: 1-800-225-5605

The Honorable George Bush President The White House Washington, D.C.

Dear Mr. President:

I am writing to you concerning your recent decision to ask Japan and Taiwan to extend restrictions on exports of machine tools to the U.S. for another two years. I applaud that decision, but I ask that you not eliminate non-computer controlled milling machines from the list of machines covered under the agreements.

By eliminating non-computer machines, you may undermine what I understand the intent of the decision: to protect computer controlled machine production. The reason for this is that standard, non-computer milling machines can be readily retrofitted with a computer control package, making them comparable to computer controlled machines. This is a common industry practice and does not require complicated adjustments to the machines.

If non-computer machines are left out of a new VRA agreement, then there will be a proliferation of retrofitting of this equipment, effectively circumventing the limits on imported computer controlled machines. This would undermine the intent of the VRA agreement.

I request, therefore, that you reconsider the decision to eliminate machine tools that are not controlled by computers from the new agreement, in order to help the machine tool industry regain their competitive health.

Manufacturing in Connecticut, as in many states across the nation, has suffered a great deal over the last few years. An extension of the machine tool VRA for another two years, including non-computer machine tools, would be of great benefit to the machine tool industry in Connecticut and throughout the country.

Thank you in advance for your consideration of my request.

Sincerely

Joseph I. Lieberman

JIL:wcd

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THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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INCOMING

DATE RECEIVED: MARCH 30, 1992

NAME OF CORRESPONDENT: THE HONORABLE TOBY ROTH

THE CHIEF OF STAFF has seen

SUBJECT: CONCERNS REGARDING TRADE CONCESSIONS TO

TAIWAN ON MACHINE-TOOL PARTS FOR A TWO-YEAR

EXTENSION OF THE VOLUNTARY RESTRAINT

AGREEMENTS ON MACHINE TOOLS

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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

318479

TOBY ROTH EIGHTH DISTRICT WISCONSIN

2352 RAYBURN BUILDING WASHINGTON, D.C. 20515

TRAYEL AND TOURISM CAUCUS SPORTSMEN'S CAUCUS RURAL CAUCUS GRACE CAUCUS MILITARY REFORM CAUCUS



United States House of Representatives

March 26, 1992

FOREIGN AFFAIRS COMMITTEE INTERNATIONAL ECONOMIC POLICY AND TRADE ASIAN AND PACIFIC AFFAIRS AFFACA

> BANKING, FINANCE AND URBAN AFFAIRS COMMITTEE

DOMESTIC MONETARY POUCY FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE POUCY RESEARCH AND INSURANCE

Mr. Samuel K. Skinner Chief of Staff to the President The White House 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear Sam:

News reports are disturbing to me that the United States is preparing to offer trade concessions to Taiwan on machine-tool parts to win consent for a two-year extension of the Voluntary Restraint Agreements (VRAs) on machine tools.

Additionally, my information is that Deputy U.S. Trade Representative Michael Moskow is on the verge of granting still more special trade favors to an Indianapolis-based importer of Taiwan-made machine tools.

While such proposed actions may be well-meant, they are perceived as extremely threatening to the vital U.S. machine-tool industry, particularly to constituent companies in Wisconsin.

One of our most important companies, Giddings & Lewis, Inc., of Fond du Lac, Wisconsin, is driving hard to be competitive in the machine-tool industry, being the fifth largest factory automation and machine-tool manufacturer in the world. Indeed, last year the entire Wisconsin congressional delegation united to help persuade the U.S. Department of Justice to approve Giddings & Lewis' proposed acquisition of financially troubled Cross & Trecker.

Not the least of industry worries is that undue concessions to Taiwan unnecessarily risk losing Japan's crucial support for extension of the VRAs.

Enclosed for your reference are copies of my earlier letter and enclosures. Please tell me how to respond to my Wisconsin industrial constituent.

Sincerely,

Member of Congress

DEPUTY UNITED STATES TRADE REPRESENTATIVE

EXECUTIVE OFFICE OF THE PRESIDENT WASHINGTON, D.C. 20506

JUL 15 1992

The Honorable Toby Roth U.S. House of Representatives Washington, D.C. 20515

Dear Congressman Roth:

This is in response to your letter to Samuel Skinner expressing your concern and that of your constituent, Giddings and Lewis, regarding the pace and coverage of our efforts to negotiate machine tool voluntary restraint agreements (VRAs) with Japan and Taiwan.

Since your letter, we have successfully concluded agreements with both Japan and Taiwan. We believe that these agreements will permit U.S. companies to complete the necessary programs for advancing U.S. national security interests while providing a gradual return to market-determined competition. While the negotiations were long and difficult, the final agreements assured that imports of machine tools in the period prior to the agreements would not be allowed to undermine the President's machine tool revitalization program.

I would like to correct one additional point in your letter regarding positions attributed to me with respect to the treatment of special issue permits. At no time did I support special favors for any individual company. As the final agreement with Taiwan clearly indicates, there is no special allocation of machine tools for any individual company. The agreement contains a generic provision through which individual companies may petition the Department of Commerce for access to additional machine tools or parts. This provision is virtually identical to that contained in the 1986 VRA and we expect that the Department of Commerce will administer it in the same way as it did previously.

Our objective throughout the negotiations was to implement the President's decision of December 27, 1991 to maximize the contribution of the domestic machine tool industry to our national security interests.

Sincerely,

Michael H. Moskow

MHM: de

ID# 319062

2/4

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 01, 1992

NAME OF CORRESPONDENT: THE HONORABLE JOHN JOSEPH MOAKLEY

SUBJECT: CONCERN THAT NEGOTIATORS FOR THE EXTENSION OF

THE MACHINE TOOL VRA WITH TAIWAN AND JAPAN MAY GRANT THE HURCO CORPORATION THE RIGHT TO IMPORT 846 MORE MACHINES THAN THE 310 MACHINE

	AC'	TION	DIS	POSITION	
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT CODE		TYPE RESP	C COMPLE D YY/MM/	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

DEPUTY WHIP
COMMITTEE ON RULES
CHAIRMAN

Congress of the United States House of Representatives

Washington, DC 20515

March 31, 1992

JOHN WEINFURTER ADMINISTRATIVE ASSISTANT 221 CANNON BUILDING

221 CANNON BUILDING (202) 225-8273 FAX: (202) 225-7804

ROGER KINEAVY DISTRICT MANAGER

WORLD TRADE CENTER SUITE 220 BOSTON, MA 02210 (617) 565-2920 FAX: (617) 439-5157

4 COURT STREET TAUNTON, MA 02780 (508) 824-6676

The President The White House Washington, DC 20500

Dear Mr. President:

We are writing to express our concern that your December 27, 1991, decision to extend the Machine Tool Voluntary Restraint Agreement with Taiwan and Japan for an additional two years is in danger of being rendered ineffective. It has been three months since your decision and no action has been concluded.

Under the terms now being proposed by U.S. negotiators, one U.S. importer of Taiwanese machines, the Hurco Corporation of Indianapolis, would be granted the right to import 846 more machines than the 310 machine ceiling that has been suggested for the country of Taiwan. These 846 special import licenses negate the purpose of the agreement. Furthermore, the Japanese have indicated that they will require a matching number in order to maintain parity. The net result is that the U.S. industry will receive no benefit from the two-year VRA extension.

Mr. President, we are concerned that your negotiators do not appreciate the gravity of this issue. The American Machine Tool Industry deserves your continued support, not only for national security reasons, but also for the 70,000 American jobs that will be directly affected. This is not the time to allow our resolve to falter because of the intransigence of Taiwan or the narrow interest of a single importer. We feel strongly that the intent of your decision should not be relinquished.

Sincerely

JOHN JOSEPH MOAKLEY

Member of Congress

EDWARD MARKEY

Member of Congress

Page 2 The Honorable George Bush March 31, 1992

CHESTER ATKINS Member of Congress

ERFY STUDDS Member of Congress

RICHARD NEAL Member of Congress

BRIAN DONNELLY Member of Congress

JOSEPH KENNEDY Member of Congress NICHOLAS MAVROULES Member of Congress

BARNEY FRANK Member of Congress

JOHN OLVER Member of Congress

MEMBER OF CONGRESS

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20506

The Honorable John Joseph Moakley U.S. House of Representatives Washington D.C. 20515

Dear Congressman Moakley:

This is in further response to your letter to the President with respect to the negotiations of voluntary restraint agreements (VRA's) with Japan and Taiwan to implement the President's December 27, 1991 decision.

Since your letter, we have concluded negotiations with Japan. Japan is our major trading partner for machine tools, and we believe our agreement with Japan will permit U.S. companies to complete the necessary programs for advancing U.S. national security interests while providing a gradual return to market-determined competition.

Negotiations with Taiwan are continuing. We are frustrated and disappointed with the pace of negotiations. I want to assure you that imports of machine tools in the interim period before an agreement is reached will not be allowed to undermine the President's machine tool revitalization program, and I hope very much to conclude this negotiation in the near term.

With respect to special license procedures, we expect that the Department of Commerce will consider such requests on the same basis as it did in the 1986-91 VRA period, namely, so as to contribute to the creation of a strong, technologically advanced domestic machine tool industry.

Sincerely,

Carla A. Hills

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 03, 1992

NAME OF CORRESPONDENT: THE HONORABLE GEORGE VOINOVICH

SUBJECT: SUPPORTS THE DECISION TO EXTEND VOLUNTARY

RESTRAINT AGREEMENTS FOR MACHINE TOOLS, AND URGES THAT NEGOTIATIONS WITH TAIWAN AND JAPAN

NOT INCLUDE ANY SPECIAL LICENSES

17A 004-06

				AC	TION	DI	SPOSITION	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



STATE OF OHIO

OFFICE OF THE GOVERNOR

COLUMBUS 43266-0601

March 30, 1992

The President The White House Washington, D.C. 20500

Dear Mr. President:

Although I was very pleased with your decision to extend voluntary restraint agreements for machine tools, I am concerned that recent developments may have the effect of weakening substantially the potential benefits this decision would have for U.S. industry.

In particular, it is my understanding that U.S. negotiators are proposing to grant one small importer of Taiwanese machines, the Hurco Corporation, special licenses to import as many as three times more machines than the numerical ceiling being considered for Taiwan. Granting these licenses would strip away much of the potential benefit U.S. industry would receive from the two-year VRA extension.

Mr. President, the future of the U.S. machine tool industry, which is vital to our national security, and 70,000 American jobs will be affected directly by a decision to grant these special licenses. I respectfully urge you to direct your negotiators not to grant any special licenses and to seek rapid conclusion of negotiations with Japan and Taiwan consistent with the intent of your December 27 decision to extend the VRAs.

Thank you for your consideration of my concerns.

Sincerely.

George V. Voinovich

Governor

GVV:eh

May 28, 1992

Honorable George V. Voinovich Governor of Ohio Columbus, Ohio 43266-0601

Dear Governor Voinovich:

Thank you for your letter to President Bush regarding the granting of special licenses to the Hurco Corporation for importing components from Taiwan. As the Commerce Department has responsibility for this issue, your letter was referred to me for reply.

We concluded the elements of a good agreement with Japan on April 27, and our talks continue with Taiwan. In those talks, we will continue to work for a resolution which meets our security interests. We greatly appreciate your support.

We fully understand your concerns with regard to special licenses for Hurco Corporation and the machine tool voluntary restraint agreement (VRA) currently being negotiated with Taiwan. When a VRA with Taiwan is concluded, we will be able to consider issuing special licenses and will do so using the same criteria applied under the old agreement with Taiwan. Without that agreement, however, we cannot issue special licenses. When we can issue them, Hurco will receive full consideration, taking into account the effects on all parties involved, including U.S. machine tool builders.

Sincerely,

Barbara Hackman Franklin

THE WHITE HOUSE WASHINGTON

April 14, 1992

Dear Governor Voinovich:

On behalf of President Bush, I want to thank you for your recent correspondence regarding the decision to extend voluntary restraint agreements for machine tools.

I appreciate your sharing your views and concerns with the President on this issue. I have taken the liberty of forwarding your letter to the Department of Commerce and the United States Trade Representative so that they will know of your concerns as well. I have also asked that they follow up directly with you.

Again, thank you for sharing this information with the Administration. As always, please let me know when we can be of assistance.

Sincerely,

David J. Beightol
Special Assistant to the President for
Intergovernmental Affairs

The Honorable George V. Voinovich Governor of Ohio Office of the Governor Columbus, Ohio 43266-0601

TA004-06

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 03, 1992

NAME OF CORRESPONDENT: THE HONORABLE NANCY L. JOHNSON

SUBJECT: EXPRESSES CONCERN REGARDING THE VOLUNTARY

RESTRAINT AGREEMENTS FOR MACHINE TOOLS; URGES

THAT NEGOTIATIONS WITH TAIWAN AND JAPAN NOT

INCLUDE ANY SPECIAL LICENSES

	ACTION	DISPOSITION
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT DATE CODE YY/MM/DD	TYPE C COMPLETED RESP D YY/MM/DD
NICK CALIO 19945TR REFERRAL NOTE: 99 DOS REFERRAL NOTE:	ORG 92/04/03 204/6 204/6	NO A 98,108/08
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ADDITIONAL CORRESPONDENTS: 7 MEDIA:	L INDIVIDUAL CO	DDES: 1230 1240 12
MAIL USER CODES: (A)(B)(C)	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75, OEOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

Congress of the United States Washington, D.C. 20515

April 2, 1992

The President The White House Washington, D.C. 20500

Dear Mr. President:

Your December 27, 1991, decision to extend the machine tool Voluntary Restraint Agreement with Taiwan and Japan for an additional two years is in danger of being rendered ineffectual. It has been three months since your decision and a final agreement has not been reached despite the efforts of several officials of your Administration.

Under the terms now being proposed by U.S. negotiators, one small U.S. importer of Taiwanese machines, the Hurco Corporation of Indianapolis, would be granted special licenses to import than the numerical ceiling that already has been suggested for Taiwan. These special import licenses virtually negate the stated purpose of the Agreement. Furthermore, the Japanese have indicated that they will require a matching number of machines in order to maintain parity. The net result is that the U.S. machine tool industry, a fundamental component of our industrial base, will receive no benefit whatsoever from the two-year VRA extension.

We are deeply concerned that your negotiators do not appreciate the gravity of this issue and its implications for a key domestic industry already reeling from the recession. The American machine tool industry deserves your continued support, not only for national security reasons, but also for the 70,000 American jobs that are directly affected. This is not the time to allow our resolve to falter because of the intransigence of trading partners or the narrow interests of a single importer. If our negotiators lack the political will to enforce your decision, we and many of our colleagues in both chambers are prepared to support legislative enforcement of the VRAs.

Very truly yours,

Nancy Johnson

Membe of Congress

Barbara B. Kennelly

Member of Congress

The President April 2, 1992 Page two

> Sam Gejdenson Member of Kongress

Garr A. Franks Member of Congress

Christopher J. Dodd United States Senator Christopher Shay Member of Congress

Rosa L. DeLauro Member of Congress

Joseph I. Lieberman United States Senator

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20506

The Honorable Nancy L. Johnson U.S. House of Representatives Washington D.C. 20515

Dear Congresswoman Johnson:

This is in further response to your letter to the President with respect to the negotiations of voluntary restraint agreements (VRA's) with Japan and Taiwan to implement the President's December 27, 1991 decision.

Since your letter, we have concluded negotiations with Japan. Japan is our major trading partner for machine tools, and we believe our agreement with Japan will permit U.S. companies to complete the necessary programs for advancing U.S. national security interests while providing a gradual return to market-determined competition.

Negotiations with Taiwan are continuing. We are frustrated and disappointed with the pace of negotiations. I want to assure you that imports of machine tools in the interim period before an agreement is reached will not be allowed to undermine the President's machine tool revitalization program, and I hope very much to conclude this negotiation in the near term.

With respect to special license procedures, we expect that the Department of Commerce will consider such requests on the same basis as it did in the 1986-91 VRA period, namely, so as to contribute to the creation of a strong, technologically advanced domestic machine tool industry.

Sincerety,

Carla A. Hills

TA004-06

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 03, 1992

NAME OF CORRESPONDENT: THE HONORABLE JOHN GLENN

SUBJECT: EXPRESSES CONCERN REGARDING THE VOLUNTARY

RESTRAINT AGREEMENTS FOR MACHINE TOOLS; URGES

THAT NEGOTIATIONS WITH TAIWAN AND JAPAN NOT

INCLUDE ANY SPECIAL LICENSES

		ACTION	DISPOSITION	
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

D 1/16

GOVERNMENTAL AFFAIRS, CHAIRMAN

ARMED SERVICES

. SELECT COMMITTEE ON INTELLIGENCE

SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510-3501

March 31, 1992

The Honorable George Bush The White House Washington, D.C. 20500

Dear Mr. President:

We are writing today to express our very great concern about the extension of the Machine Tool Voluntary Restraint Agreements. We welcomed and supported your December 27, 1991 decision to extend these important agreements for an additional two years. Unfortunately, it has now been over three months since that decision was announced and there are no new agreements and the direction and pace of the negotiations is, in our view, unacceptable.

We understand that one U.S. company, which imports machine tools primarily from Taiwan, has requested what amounts to an exemption from VRA coverage. Under terms now being proposed by U.S. negotiators, this company alone would be permitted to import 300% more machines than the numerical ceiling which has been suggested for the country of Taiwan. This special treatment would undoubtedly prompt Japan to insist on similar treatment in order to maintain parity and thus effectively negate the very purpose of the VRA.

Mr. President, last year you quite correctly determined that U.S. national security interest would be best served by extending the Voluntary Restraint Agreements. This determination must not be undermined by the negotiation of agreements rendered essentially meaningless by the extraordinary growth in imports permitted. Three months of the two year extension period have already elapsed. We urge you to clearly and forcefully reiterate to the U.S. negotiating team the importance of concluding new and meaningful VRAs as quickly as possible.

Sincerely,

John Slann

mascy Kaptur

4.03/10

Gillmor

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20506

9

The Honorable John Glenn United States Senate Washington D.C. 20510

Dear Senator Glenn:

This is in further response to your letter to the President with respect to the negotiations of voluntary restraint agreements (VRA's) with Japan and Taiwan to implement the President's December 27, 1991 decision.

Since your letter, we have concluded negotiations with Japan. Japan is our major trading partner for machine tools, and we believe our agreement with Japan will permit U.S. companies to complete the necessary programs for advancing U.S. national security interests while providing a gradual return to market-determined competition.

Negotiations with Taiwan are continuing. We are frustrated and disappointed with the pace of negotiations. I want to assure you that imports of machine tools in the interim period before an agreement is reached will not be allowed to undermine the President's machine tool revitalization program, and I hope very much to conclude this negotiation in the near term.

With respect to special license procedures, we expect that the partment of Commerce will consider such requests on the same basis as it did in the 1986-91 VRA period, namely, so as to contribute to the creation of a strong, technologically advanced domestic machine tool industry.

Sincerely,

Carla A. Hills

ID# 319926

TA004-06

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 06, 1992

NAME OF CORRESPONDENT: THE HONORABLE HELEN DELICH BENTLEY

SUBJECT: EXPRESSES CONCERN REGARDING THE VOLUNTARY

RESTRAINT AGREEMENTS FOR MACHINE TOOLS; URGES THAT NEGOTIATIONS WITH TAIWAN AND JAPAN NOT

INCLUDE ANY SPECIAL EXEMPTIONS

	ACTION	DISPOSITION	
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT DATE CODE YY/MM/DD	TYPE C COMPLETE RESP D YY/MM/D	
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REFERRAL NOTE: FY D - U	R 1216/11	<u>C 91/06/17</u>	274
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ADDITIONAL CORRESPONDENTS: 7 MEDIA:	L INDIVIDUAL CO	DDES: 1240 1230	
MAIL USER CODES: (A) (B)(C)		
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*F-FURNISH FACT SHEET *S-SUSPENDED *I-INFO COPY/NO ACT NEC* *R-DIRECT REPLY W/COPY * *S-FOR-SIGNATURE *	*COMPLI * *	ETED = DATE OF OUTGOING	* * *
*X-INTERIM REPLY * ************************	******	******	*

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

HELEN DELICH BENTLEY
2ND DISTRICT, MARYLAND

THE BUDGET

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

COMMITTEE ON

MERCHANT MARINE AND FISHERIES

SELECT COMMITTEE ON AGING

Congress of the United States

House of Representatives Washington, DC 20515-2002

April 2, 1992

CAUCUSES:
STEEL
ART
TRADE AND TOURISM
MARITIME
HUMAN RIGHTS

ENERGY TASK FORCE

The President The White House Washington, D.C. 20500

Dear Mr. President:

Three months ago you decided to seek a two-year extension of the machine tool Voluntary Restraint Agreements (VRA's) with Japan and Taiwan. We applaud that decision and believe these VRA's serve the best interests of both the domestic machine tool industry and national security.

When you announced your decision on December 27, 1991, you declared a 30-day grace period to allow for negotiations. That grace period has long since passed and our understanding is that the negotiations are no closer to a resolution now than they were two months ago. We believe the success of these negotiations is important to both the machine tool industry and to national security. We must all recognize that if the negotiations fail to protect American interests, the public perception will be extremely negative. U.S. workers are tired of being denigrated in the foreign press by our U.S. trade competitors and tired of losing their jobs to foreign competitors, some of whom use questionable trade practices that place many U.S. industries at a substantial disadvantage.

Mr. President, we believe that your advisors, the interagency group which has been charged with the responsibility for guiding these negotiations, have failed. Amazingly, the interagency group apparently has allowed the interests of a single machine tool importer to stall the negotiations and has actually considered providing special exemptions for this single company, despite the negative impact of such exemptions on a number of other machine tool manufacturers. U.S.T.R., the interagency panel and this Administration should be operating in the interests of U.S. manufacturers and in the interest of U.S. jobs, not in the interests of Taiwan or of a single importer.

We urge you to take a direct hand in these negotiations to ensure that they are concluded in a manner that is consistent with your original intent to protect both the industry and national security.

Respectfully yours,

PLEASE REPLY TO:

WASHINGTON OFFICE: 1610 LONGWORTH BUILDING WASHINGTON, DC 20515-2002 TELEPHONE: (202) 225-3061 FAX: (202) 225-4251 DISTRICT OFFICE:
200 EAST JOPPA ROAD
TOWSON, MD 21204
TELEPHONE: (410) 337-7222
FAX: (410) 337-0021

DISTRICT OFFICE:
7458 GERMAN HILL ROAD
DUNDALK, MD 21222
TELEPHONE: (410) 285-2747

DISTRICT OFFICE:

6 NORTH MAIN STREET

BEL AIR, MD 21014

TELEPHONE: (410) 879-2517

Beverly B. Syron, yc. on

Helen Delich Bentley, M.C.

Thomas C. McMillen, M.C.

Kweigi Mfume, M.g.

Steny H Hoyer, M.C.

Benjamin L. Cardin Benjamin L. Cardin, M.C.

onstance A. Morella, M.C.

Wayne T. Gilchrest, M.C.

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20506

The Honorable Beverly Byron U.S. House of Representatives Washington D.C. 20515

Dear Congresswoman Byron:

This is in further response to your letter to the President with respect to the negotiations of voluntary restraint agreements (VRA's) with Japan and Taiwan to implement the President's December 27, 1991 decision.

Since your letter, we have concluded negotiations with Japan. Japan is our major trading partner for machine tools, and we believe our agreement with Japan will permit U.S. companies to complete the necessary programs for advancing U.S. national security interests while providing a gradual return to market-determined competition.

Negotiations with Taiwan are continuing. We are frustrated and disappointed with the pace of negotiations. I want to assure you that imports of machine tools in the interim period before an agreement is reached will not be allowed to undermine the President's machine tool revitalization program, and I hope very much to conclude this negotiation in the near term.

With respect to special license procedures, we expect that the Department of Commerce will consider such requests on the same basis as it did in the 1986-91 VRA period, namely, so as to contribute to the creation of a strong, technologically advanced domestic machine tool industry.

Sincerely,

Carla A. Hills

Mhis

TA004-06

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 06, 1992

NAME OF CORRESPONDENT: THE HONORABLE ALAN J. DIXON

SUBJECT: OPPOSES THE PROPOSAL THAT WOULD ALLOW CERTAIN

MACHINES BY TAIWAN AND JAPAN TO BE IMPORTED OUTSIDE THE MACHINE TOOL VOLUNTARY RESTRAINT

AGREEMENT LIMITS

	ACTION	DISPOSITION
ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACT DATE CODE YY/MM/D	
NICK CALIO 99 USTR REFERRAL NOTE: 99 DOS REFERRAL NOTE: 1 ACQ/, REFERRAL NOTE: REFERRAL NOTE:	- B 270472 - I 270472 - I 270472 - UST B2161.	8
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
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ALAN J. DIXON

MAJORITY CHIEF DEPUTY WHIP

United States Senate

WASHINGTON, DC 20510-1301

COMMITTEES:
ARMED SERVICES
BANKING, HOUSING, AND
URBAN AFFAIRS
SMALL BUSINESS

March 31, 1992

The President The White House Washington, D.C. 20500

Dear Mr. President:

We support your December 27, 1991 decision to extend the Machine Tool Voluntary Restraint Agreement with Taiwan and Japan for an additional two years. However, a recent proposal being considered would allow certain machines to be imported outside the VRA limit rendering any VRA useless. We strongly oppose such a proposal.

Under the terms now being proposed by U.S. negotiators, the Hurco Corporation of Indianapolis would be granted special licenses to import 300 percent more machines than the VRA numerical ceiling that has been proposed for Taiwan.

Mr. President, this proposal to allow over 800 machines to be exempted from the VRA limit virtually negates the very purpose of a VRA. Furthermore, Japan has indicated that it will require a matching number in order to maintain parity. The result is that the U.S. machine tool industry will receive no benefit from the two-year VRA extension.

We are concerned that your negotiators do not appreciate the full gravity of this issue. The American machine tool industry deserves your continued support for both national security reasons and for the 70,000 jobs that will be directly affected. This is not the time to weaken our position because of the intransigence or Taiwan or the narrow interests of a single importer. Please be assured that if our negotiators lack the will to enforce your decision, Congress is prepared to support you legislatively.

Thank you for your attention on this very important issue.

Sincerely,

Alan J/ Dixon

Paul Simon

WASHINGTON, DC OFFICE: 202-224-2854 331 HART BUILDING WASHINGTON, DC 20510-1301 CHICAGO OFFICE: 312-353-5420 230 SOUTH DEARBORN CHICAGO, IL 60604

SPRINGFIELD OFFICE: 217-492-4126 6TH AND MONROE SPRINGFIELD, IL 62701 EAST ST. LOUIS OFFICE: 618-398-7920 8787 STATE STREET EAST ST. LOUIS, IL 62203 MOUNT VERNON OFFICE: 618-244-6703 105 SOUTH 6TH STREET MOUNT VERNON, IL 62864 The President March 31, 1992 Page Two

ohn Porter

The President March 31, 1992 Page Three

Terry Bruce William Lipinski

Savage Manual Manual

Gus Savage Thomas Ewing

Sidney Value

Sidney Value

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20506

The Honorable Alan J. Dixon United States Senate Washington D.C. 20510

Dear Senator Dixon:

This is in further response to your letter to the President with respect to the negotiations of voluntary restraint agreements (VRA's) with Japan and Taiwan to implement the President's December 27, 1991 decision.

Since your letter, we have concluded negotiations with Japan. Japan is our major trading partner for machine tools, and we believe our agreement with Japan will permit U.S. companies to complete the necessary programs for advancing U.S. national security interests while providing a gradual return to market-determined competition.

Negotiations with Taiwan are continuing. We are frustrated and disappointed with the pace of negotiations. I want to assure you that imports of machine tools in the interim period before an agreement is reached will not be allowed to undermine the President's machine tool revitalization program, and I hope very much to conclude this negotiation in the near term.

With respect to special license procedures, we expect that the Department of Commerce will consider such requests on the same basis as it did in the 1986-91 VRA period, namely, so as to contribute to the creation of a strong, technologically advanced domestic machine tool industry.

DINCOL GATT

Carla A. Hills

en Stall

ID# 320211

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

*X-INTERIM REPLY

TA 004-06

DATE RECEIVED: APRIL 06, 1992

NAME OF CORRESPONDENT: THE HONORABLE JOHN P. MURTHA

SUBJECT: URGES THE PRESIDENT TO RESOLVE THE INABILITY
OF THE U.S. TRADE NEGOTIATORS TO REACH A
CONCLUSION REGARDING THE EXTENSION OF THE
MACHINE TOOL VRA WITH TAIWAN AND JAPAN

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Congress of the United States House of Representatives

Washington, DC 20515

March 31, 1992

The President of the United States The White House Washington, D.C. 20500

Dear Mr. President:

We are writing to express our concern about the inability of U.S. trade negotiators to reach a conclusion regarding your December 27, 1991 decision to extend the Machine Tool Voluntary Restraint Agreement with Taiwan and Japan.

It appears that under the terms now being proposed, one small U.S. importer of Taiwanese machines would be granted special licenses to import 300% more machines than the ceiling which has already been suggested for Taiwan. In addition, the Japanese have indicated that they will require a matching number with the Taiwanese in order to maintain parity. We believe that the net result of granting such import licenses would virtually eliminate any benefit the U.S. industry might gain from the two-year VRA extension.

Mr. President, the American machine tool industry deserves your continued support, not only for national security reasons but also for the jobs of 70,000 American workers and the communities in which they live. Time is of the essence if the U.S. machine tool industry is to benefit from your decision to extend the VRA program.

We urge you to resolve this impasse with the Taiwanese and the Japanese so that a reasonable agreement can be reached quickly. We stand ready to support you legislatively should you need our assistance.

Sincerely,

JOHN P. MURTHA

JOSEPH M. GAYDOS

OSEPH M. MCDADE

GUS YATRON

Mr. President March 31, 1992 Page 2 RICK SANTORUM GERRGE W. GEKAS ROBERT A. BORSKI RICHARD (SCHULZE WILLIAM F. CLINGER WILLIAM J COYNE BUD SHUSTER

THE UNITED STATES TRADE REPRESENTATIVE Executive Office of the President Washington, D.C. 20506

The Honorable John P. Murtha U.S. House of Representatives Washington D.C. 20515

Dear Congressman Murtha:

This is in further response to your letter to the President with respect to the negotiations of voluntary restraint agreements (VRA's) with Japan and Taiwan to implement the President's December 27, 1991 decision.

Since your letter, we have concluded negotiations with Japan. Japan is our major trading partner for machine tools, and we believe our agreement with Japan will permit U.S. companies to complete the necessary programs for advancing U.S. national security interests while providing a gradual return to market-determined competition.

Negotiations with Taiwan are continuing. We are frustrated and disappointed with the pace of negotiations. I want to assure you that imports of machine tools in the interim period before an agreement is reached will not be allowed to undermine the President's machine tool revitalization program, and I hope very much to conclude this negotiation in the near term.

With respect to special license procedures, we expect that the Department of Commerce will consider such requests on the same basis as it did in the 1986-91 VRA period, namely, so as to contribute to the creation of a strong, technologically advanced domestic machine tool industry.

Sincerely,

Carla A. Hills

DISPOSITION

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET TA 0 54- 06

ACTION

INCOMING

DATE RECEIVED: OCTOBER 01, 1992

NAME OF CORRESPONDENT: THE HONORABLE TOMMY G. THOMPSON

SUBJECT: URGES THE PRESIDENT TO OPPOSE THE APPLICATION

BY HURCO, AN INDIANA FIRM, FOR SPECIAL ISSUE PERMITS TO IMPORT COMPONENTS OF ITS MACHINE TOOLS FROM TAIWAN DESPITE A VRA WITH TAIWAN

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TOMMY G. THOMPSON

Governor State of Wisconsin

September 28, 1992

The Honorable George Bush President of the United States The White House 1600 Pennsylvania Avenue Washington D.C. 20500

Dear Mr. President:

Giddings & Lewis, the largest industrial automation firm in North America is based in Fond du Lac, Wisconsin. Therefore, machine tool industry jobs are very important to Wisconsin. I was recently made aware of a trade issue which could jeopardize jobs in the U.S. machine tool industry which I thought should be brought to your attention.

I understand that HURCO, an Indiana firm, has applied for a large number of special issue permits so that it may continue to import most of the components of its machine tools from Taiwan despite a Voluntary Restraint Agreement (VRA) with Taiwan which limits those imports. Although the original petition was denied by the Commerce Department, I have been informed that some Administration officials may be reconsidering that decision.

I strongly urge you to be sure that the original decision stands.

There is simply no justification for granting the special issue licenses. HURCO has had ample time to source its components in the United States. In fact, Giddings & Lewis has its own foundry and is a potential source of the castings which HURCO imports from Taiwan. To reverse the original decision and allow these licenses would undermine the value of the VRA's.

Thank you for your cooperation in this matter. I look forward to talking with you.

Sincerely

TOMMY G THOMPSON

Governor

TGʻ⊁⁄oh

ID# 005939

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOFING

DATE RECEIVED: FEBRUARY 10, 1989

NAME OF CORRESPONDENT: MR. HENRY H. HSU

SUBJECT: EXPRESSES CONCERN ON THE CURRENT ECONOMIC SITUATION IN TAIWAN, IN PARTICULAR THE APPRECIATION OF ITS CURRENCY IN THE PAST 3 YEARS AND APPEALS TO THE PRESIDENT AND HIS *

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TA

Ce VISTR

會進協業事資僑國民華中

Overseas Chinese Enterprises Association

63 Hong Chow S. Rd, Sec. 1, Taipei, Taiwan (100) Republic of China

8903260 189 FEB-16 12:32 PM

January 26, 1989

President Geroge H. W. Bush White House Washington D. C. U.S.A.

Dear Mr President

We are overseas chinese who have returned from various parts of the world to invest in different types of enterprise in the Republic of China on Taiwan. For the past thirty odd years, we have contributed our parts to the economic development of our fatherland. Therefore, we are very much concerned regarding the current economic situation in our country.

In November 1985, the exchange rate between the US Dollar and New Taiwan Dollar was US\$1:NT\$40.12, and today the rate is NT\$27.40. In other words, our currency has appreciated approximately 35% in the last three years. As a result, many of our enterprises which depend on their export business have suffered severely by this drastic change of currency rate. Some small and medium enterprises have been forced to close their business or hovering on the brink of bankruptcy. At the same time, our government continued to liberalize our market and reduce customs tariff. As a result, our trade surplus with the United States had reduced considerably in the past year.

In view of the above, a resolution was unaimously adopted at the 18th General Conference of our Association to appeal to Your Excellency and your economic and financial advisors to take this actual situation into consideration in your trade negotiation with our Government.

會進協業事資僑國民華中

Tel. 3 445 2 3 1 - 2

Overseas Chinese Enterprises Association

63 Hong Chow S. Rd, Sec. 1, Taipei, Taiwan (100) Republic of China

We are sending this appeal to you, Mr President, because we firmly believe there is a long and traditional friendship between the Chinese and American people. We also believe that we share a common goal of striving for freedom and democracy. We certainly cannot forget the generous aid extended to our country by the United States during the early days of our economic take-off that made possible our economic success.

We are confident that you will be kind enough to consider our appeal and we look forward to hearing from you.

Respectfully yours

Henry H Hsu

Chairman



United States Department of State

. P 1905

Assistant Secretary of State for Economic and Business Affairs

Washington, D.C. 20520

Dear Mr. Hsu:

I am responding on behalf of President Bush to your January 26 letter in which you expressed concern about the impact of the New Taiwan dollar's appreciation against the U.S. Dollar on small and medium-sized enterprises in Taiwan.

As you note, Taiwan has done much to open its market to foreign goods and services. It has also allowed an appreciable rise in the value of the New Taiwan dollar vis-a-vis the U.S. dollar. We welcome these efforts, which contributed to a 40 percent rise in U.S. exports to Taiwan in 1988.

I believe it is in Taiwan's interest to continue this progress, and, as an increasingly important trading economy, to work with us to maintain an open international trading system. Your economy is a dynamic one, with an impressive development record. I have no doubt of Taiwan's ability to remain a successful competitor in world markets.

I realize that exchange rates changes can have a significant impact on individual firms, and assure you that we will keep these concerns in mind in implementing our trade policy. However, if our economies are to continue to enjoy the gains in efficiency and consumer welfare that free trade offers, it is essential that exchange rates reflect underlying economic strength. If they do not, businesses receive the wrong signals, and resources are misallocated.

I appreciate your taking the time to write to the President about your concerns, and to reaffirm the continuing friendship between the people of Taiwan and the people of the United States.

Sincerely,

Eugene J. McAllister

Eury & H'alleten

Mr. Henry H. Hsu Chairman,

> Overseas Chinese Enterprises Association, 63 Hong Chow S. Rd., Sec. 1, Taipei, Taiwan (100), Republic of China.



THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

ID# 262408

A

INCOMING

DATE RECEIVED: AUGUST 14, 1991

NAME OF CORRESPONDENT: THE HONORABLE JOHN J. LAFALCE

SUBJECT: SUGGESTS THAT THE GRANTING OF MOST-FAVORED-NATION STATUS TO CHINA SHOULD BE CONDITIONED SO THE CHINESE GOVERNMENT STOPS MANIPULATING

ITS EXCHANGE RATE TO GAIN AN UNFAIR AND

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JOHN J. LAFALCE

2367 RAYBURN BUILDING WASHINGTON, DC 20616 (202) 225-3231

Em Dure

Congress of the United States

House of Representatives Washington, DC 20515

August 12, 1991

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MAIN POST OFFICE BUILDING NIAGARA FALLS, NY 14302 (716) 284-9976

FEDERAL BUILDING ROCHESTER, NY 14614 (716) 263-6424

The President The White House Washington, DC 20500

Dear Mr. President:

As you are well aware, the House recently voted to impose conditions on any granting of Most Favored Nation (MFN) status to China. I concurred with the majority of my colleagues in this matter.

In my view, there are many reasons that an unconditional granting of MFN is inappropriate at this time. The serious violation of fundamental human rights by the Chinese government and the potential adverse consequences for this Nation's trade balance of an unconditional granting of MFN are chief among them.

However, there is another more narrow, but nonetheless vital, issue highlighted in a recent Treasury Department report which should give our government serious pause about any unconditional granting of MFN status.

In 1988, as part of the Omnibus Trade Act, a provision commonly known as the Competitive Exchange Rate Act, which I authored, was enacted into law. The law has several important purposes: (1) to monitor the impact of U.S. exchange rate policy on the competitive position of U.S. firms at home and abroad; (2) to foster continued international cooperation on economic and exchange rate policy through the G-7 process; and (3) to monitor the exchange rate policies of our competitors to ensure that those policies are not manipulated to obtain for them arbitrary competitive advantage. The law requires that the Treasury submit a semi-annual report to the Congress on international economic and exchange rate policy.

In its most recent report, the Treasury strongly suggests that China is manipulating its exchange rate to gain an unfair and arbitrary competitive advantage vis-a-vis the U.S. According to the Treasury, there are mounting indications that China may seek to run significant current account and trade surpluses by combining devaluations of their currency, the yuan, and tight controls over foreign exchange allocation with severe restrictions on imports.

Page Two

The increasing imbalance in our trade position with China must be a serious cause for concern. According to U.S. customs value data, China has a large and growing trade surplus with the United States. China's bilateral trade surplus with the U.S. grew 67 percent to \$10.4 billion in 1990. Last year, China's exports to the U.S. rose by 27 percent, following a 41 percent expansion in 1989. These growth rates are significantly above those for China's global exports during the same period. China's imports from the U.S. rose 16 percent in 1989, but contracted by 16 percent in 1990 due to China's desire to limit overall imports.

U.S. data reveal a \$1.7 billion deficit with China in the first 2 months of this year, a 30 percent increase over last year. This was our second largest trade deficit, behind that with Japan, and bigger than the total deficit with the four Asian Newly Industrializing Economies (NIEs). U.S. imports from China rose by 19 percent, while U.S. exports to China grew by only 2 percent during the period compared to last year.

This disturbing trend stems largely from a significant increase in Chinese exports -- especially such items as clothing, footwear and consumer electronics -- to the United States. These are areas in which this country's competitive advantage has already deteriorated seriously and in which we can hardly afford further inroads.

It is Treasury's assessment that the principal cause of China's bilateral trade surplus and external surpluses appears to be generalized and pervasive administrative controls over external trade, which inhibit imports, including those from the United States, and promote exports, particularly to the United States, China's largest market. Treasury emphasizes that the manner in which foreign exchange is allocated, along with import license and other market access barriers, is an important means by which China controls the external trade sector.

Given the substantial reserves, there is no basis for the current rationing system except to restrict imports and control sources. Treasury contends that there is strong evidence to suggest that a shift in China's exchange rate policy has occurred which is aimed directly at reinforcing China's attempts to generate sizable external surpluses.

If China does not wish to be perceived as deliberately manipulating its exchange rate policy to procure arbitrary competitive advantage, there are practical steps it can take. First, China should make foreign exchange allocation automatically to companies which either have import licenses or are authorized to import without licenses, thus removing foreign exchange allocation as another administrative barrier to imports. Second, China should liberalize foreign exchange transactions by permitting more transactions in the swap markets and the

Page Three

unofficial market. China should also eliminate other barriers to obtaining foreign exchange such as the requirement for explicit authorization.

In the meantime, it would be irresponsible -- for this and other important reasons -- for this government to support an unconditional granting of MFN status to China. The competitive position of major sectors of the U.S. economy has seriously deteriorated in recent years. Some of that is our own fault. But the unfair trading practices of foreign governments are also a factor.

We cannot ignore the clear evidence that your own Treasury Department has cited suggesting that China is utilizing exchange rate policy to arbitrarily enhance its trade position vis-a-vis the U.S. Any granting of MFN status should be conditioned on a commitment by the Chinese government to cease such practices.

Sincerely,

JOHN J. LAFALCE

Member of Congress

August 15, 1991

Dear Congressman LaFalce:

Thank you for your recent letter to the President expressing your thoughts on the House vote to impose conditions on Most Favored Nation status to China.

We appreciate knowing of your perspective on this issue. I was pleased to share your comments about China's trade practices with the President's national security and foreign policy advisors so that they, too, are aware of your recommendations.

Thank you again for your interest in writing.

With best regards,

Sincerely,

Frederick D. McClure Assistant to the President for Legislative Affairs

The Honorable John J. LaFalce House of Representatives Washington, D.C. 20515

FDM:TBA:

bcc: w/ copy of inc to Dept. of State - for Direct Response

bcc: w/ copy of inc to NSC - FYI bcc: w/ copy of inc to USTR - FYI White House Office of Records Management (WHORM) Alphabetical File Documents

Carroll, Patrick - Case Number 358409

Charne, James - Case Number 258155

Charne, James - Case Number 267298

Nicholl, John P. - Case Number 266584

Nichols, James R. - Case Number 346057

Tilley, Mr. Rice M. - Case Number 343869

ID# 358409 AF

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ACTION CODES: A - Appropriate Action C - Comment/Recommendation D - Draft Response	I - Info Copy Only/No Ac R - Direct Reply w/Copy S - For Signature	tion Necessary	DISPOSITION CODES: A - Answered B - Non-Special Referral	C - Completed S - Suspended
F - Furnish Fact Sheet to be used as Enclosure	X - Interim Reply	t 7	FOR OUTGOING CORRESPO Type of Response = initia Code = "A"	als of Signer
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PATRICK CARROLL 209-299-9704 MARK LALIBERTE 209-299-9664

FAX MESSAGE

国際共享保持委託工作工作工作

Action Office: aphis

Referral Code: 34

OCTOBER 19. 1992

WHITE HOUSE

PRESIDENT GEORGE BUSH

FROM: PATRICK CARROLL

NO OF PAGES SENT

SUBJECT: ONIONS EXPORT TO TAIWAN

I WAS WATCHING THE DEBATE IN VIRGINA LAST WEEK AND YOU MENTIONED THAT EXPORTS WILL HELP THE COUNTRY OUT OF OUR ECONOMIC PROBLEMS. I HOPE SO SINCE I MAKE MY LIVING EXPORTING FRESH PRODUCE FROM THE USA TO OTHER COUNTRIES.

I AM NOT THE GROWER OR PACKER BUT THE MIDDLEMAN WHO IS NEEDED FOR MUCH OF DUR COUNTRIES FRESH PRODUCE TO EXPORT IT TO OUR TRADING PARTNERS. I BUY AND RESELL THE PRODUCE THUS TAKING SOME OF THE RISK FOR THE ARRIVAL QUALITY. I HAVE NO PROBLEM WITH THIS BUSINESS BECAUSE I TAKE CARE BY HAVING THE PRODUCT INSPECTED BEFORE SHIPMENT AS WELL AS GETTING THE PROPER DOCUMENTATION SUCH AS THE USDA PHYTO SANITARY CERTIFICATE ISSUED FOR THE APPROPRIATE COUNTRIES.

THIS IS WHERE I HAVE A PROBLEM THAT MAYBE YOU OR YOUR STAFF CAN FACILITATE TO THE APPROPRIATE OFFICIAL IN ORDER TO GET A RESOLUTION.

IN JULY OF THIS YEAR I SHIPPED ONE CONTAINER OF ONIONS TO TAIWAN FROM CALIFORNIA. THIS WAS NEW CROP CALIFORNIA ONIONS AND THE ONIONS LOOKED BEAUTIFUL. MY CUSTOMER REQUESTED US TO PUT A SPECIAL DECLARATION ON THE USDA PHYTO SANITARY CERTIFICATE IN ORDER TO GET THEM INTO TAIWAN. WE CHECKED WITH THE LOCAL COUNTY AG OFFICE, WHICH ISSUES THE PHYTOS FOR THE USDA. THE COUNTY AG OFFICE ADVISED THAT NO ADDITIONAL DECLARATIONS WERE REQUIRED. THEY TOLD US. THAT THEY COULD NOT JUST ADD THESE CLAUSES ON THE PHYTO WITHOUT IT BEING AUTHORIZED BY THE USDA FROM WASHINGTON.

THE ADDITIONAL DECLARATION WAS SUPPOSE TO READ AS FOLLOWS

"THIS SHIPMENTS ORIGINATES IN AN AREA FREE FROM DITYLENCHUS DESTRUCTOR (POTATO ROT NEMATODE) AND D. DIPSACI (STEM NEMTODE). THE UNDERGROUND PORTION HAVE BEEN THOROUGHLY INPSECTED AND FOUND FREE FROM THESE NEMATODES

THUS ON JULY 23, 1992 WE SHIPPED 850 BAGS OF ONIONS WITH A CIF VALUE OF US\$8.840.00 WITHOUT THE REQUESTED CLAUSE. THE SHIPMENT ARRIVED IN TAIWAN AND WE WERE INFORMED DN AUG 13, 1992



Sunburst Ltd.

A Division of Musty Shores Frading, Inc.

1521 TOLLHOUSE ROAD, SUITE, A . CLOVIS, CA 93611 . FAX (209) 299-5137

PAGE 2 PATRICK CARROLL 209-299-9704 PRESIDENT GEORGE BUSK OCTOBER 19, 1992

MARK LALIBERTE 209-299-9864

THAT THE TAIWAN PQ WAS REFUSING ENTRY BECAUSE THE THE USDA PHYTO-SANITARY CERTIFICATE DID NOT MEET THE TAIWANESE GOVERNMENT REGULATIONS NEGOTIATED WITH THE AMERICAN INSTITUTE OF TAIWAN.

WE THEN CHECKED WITH THE USDA OFFICE IN HYATTSVILLE, MARYLAND AND WE WERE THEN INFORMED BY MR. JONATHAN JONES THAT YES A NEW AGREEMENT HAD BEEN NEGOTIATED WITH THE TAIWAN GOVERNMENT BACK IN APRIL 92. EFFECTIVE JUNE 1992. HE INFORMED US THAT THE USDA HAD NOT GOTTEN THE INFORMATION OUT TO THE FIELD OFFICES AS USDA THOUGHT THERE WAS NO HURRY AND THE USDA'S ELECTRONIC MAIL WAS BROKEN.

AFTER TALKING WITH MR. JONES ON AUGUST 13, 1992 A PHYTO-SANTIARY NOTE WAS ISSUED FOR TAIWAN A COPY OF WHICH IS FAXED HEREIN. THIS WAS ISSUED AFTER I HAD CALLED TO FIND OUT WHY THE PHYTO ISSUED IN JULY WAS NOT BEING ACCEPTED BY THE TAIWANESE PLANT QUARANTINE INSPECTORS. WE HAD TO FAX A COPY OF THE PHYTO NOTE TO GUR COUNTY AG OFFICE AND TO THE CALIFORNIA STATE AG OFFICES ON AUGUST 13 BECAUSE THEY DID NOT BELIEVE SUCH A REGULATION EXISTED.

MR JONES THEN TRIED TO SHIFT THE RESPONSIBILITY TO US SAYING WE SHOULD HAVE INSISTED ON A COPY OF THE IPORT LICENSE(I/L). HAD AN I/L BEEN ISSUED SHOWING THESE DECLARATIONS THEN WE COULD HAVE HAD THE ADDITIONAL DECLARATION ADDED TO THE PHYTO. THIS WAS TOLD TO US AFTER THE FACT AND NOT BY THE COUNTY AG OFFICE WHICH WE RELY UPON TO GIVE US CORRECT INFORMATION. I SHOULD NOT HAVE TO CALL THE HYATTSVILLE OFFICE EACH TIME I HAVE A PHYTO PROBLEM.

FINALLY WE WERE TOLD BY THE USDA IN SAN FRANCISCO THAT WE COULD HAVE THE ONIONS FUMIAGATED IN TAIWAN. THIS WAS DONE BUT DAMAGE WAS DONE TO THE ONIONS, DUE TO THE TIME IT TOOK TO GET THIS INFORMATION.

OUR TERMS OF PAYMENT WITH THE CUSTOMER WAS 50% AT THE TIME OF SHIPMENT AND THE BALANCE UPON ARRIVAL. DUE TO THIS PROBLEM THEY REFUSED TO PAY ANY MORE MONEY TO US AND HAVE INCURED AN ADDITIONAL CHARGES TO HAVE THE PRODUCT FUMIGATED. MY CUSTOMER HAD TO SELL THE ONIONS AT A REDUCED VALUE, BECAUSE OF THE DAMAGE CAUSED BY THE FUMIGATION. MY LOSS WAS \$4,420.00 AND MY CUSTOMER'S LOSS IS \$3,994.00. MY CUSTOMER IS CLAIMING US FOR THIS PROBELM SINCE WE DID NOT PROVIDE THE CORRECT PHYTO MEETING TAIWANESE REGULATIONS. THUS ON AN INVOICE VALUE OF \$8,840.00 THE TOTAL AMOUNT OF MONEY RETURNED WAS \$426.00.



Sunburst Ltd.

A Division of Missy Shores Frading, Inc.

1521 TOLLHOUSE ROAD, SUITE, A . CLOVIS, CA 93611 . FAX (209) 299-5137

PAGE 3 PATRICK CARROLL 209-299-9704 PRESIDENT GEORGE BUSH OCTOBER 19, 1992

MARK LALIBERTE 209-299-9664

HAD WE KNOWN OF THE REGULATION BEFORE SHIPMENT WE WOULD HAVE HAD TWO OPTIONS.

- 1) WE COULD HAVE FUMIGATED THE ONIONS BEFORE DEPARTING AND HAD THE PHYTO-SANITARY CERTIFICATE REFLECTING THE FUMIGATION.
- 2) WE COULD HAVE NOT SHIPPPED THE PRODUCT AND THUS AVOIDED THE ENSUING PROBLEMS.

WE WOULD HAVE OFTED FOR NO. 2 RATHER THAN NO. 1.

REQUIREMENT FOR MANY THE PHYTO-SANITARY CERTIFICATES ARE COUNTRIES ESPECIALLY COUNTRIES LIKE TAIWAN AND JAPAN. OUR USDA HAS A RESPONSBILITY TO INFORM BUSINESSES OF NEW REGULATIONS AS SOON AS POSSIBLE, IN ORDER THAT EXPORTERS SUCH AS MYSELF CAN BE GIVEN THE PROPER INFORMATION TO MAKE THE NECESSARY CHOICES WITH REGARDS TO A SHIPMENT AND RISK.

IF YOU CANNOT RELY THE INFORMATION PROVIDE BY THE GOVERNMENT OFFICE TO WHOM WE PAY TAXES THEN SURELY OUR EXPORTS WILL BEGIN TO SUFFER IN THE FUTURE.

I THINK THE USDA IS RESPONSIBLE AND SHOULD AND MUST BE HELD ACCOUNTABLE. I WOULD LIKE TO KNOW TO WHERE I CAN FILE A CLAIM AND GET A FAIR AND IMPARTIAL REVIEW OF THIS MATTER. DOCUMENTATION CAN BE PROVIDED IF NECESSARY.

I WOULD APPRECIATE HEARING FROM YOU OR SOMEONE FROM YOUR STAFF REGARDING THIS MATTER AT YOUR EARLIEST CONVENIENCE.

FINALLY. BEST OF LUCK IN YOUR REELECTION BID.

SINCEREL

PATRICK CARROLL

358409



DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY WASHINGTON, D.C. 20250

NOV 1 6 1992

Mr. Patrick Carroll Sunburst Limited 1521 Tollhouse Road, Suite A Clovis, California 93611

Dear Mr. Carroll:

Thank you for your letter of October 19, 1992, concerning your shipment of onions from California to Taiwan.

With few exceptions, the Department of Agriculture (USDA) does not restrict or prohibit the exportation of agricultural products to foreign countries. However, most foreign countries restrict the importation of certain commodities and may require phytosanitary inspection and certification. Our Animal and Plant Health Inspection Service (APHIS) issues Federal phytosanitary certificates as a service to help exporters meet these requirements. This certification informs officials in the importing country that we have inspected the shipment and that, to the best of our knowledge, it conforms with the current phytosanitary regulations of the importing country.

We certainly understand your concerns regarding your recent shipment. Under the Federal Tort Claims Act, you are entitled to seek compensation if you believe the losses incurred were a result of negligence on the part of APHIS. For an explanation of the procedures for filing a tort claim, you should contact APHIS' Field Servicing Office (FSO). The address is Claims and Payments, FSO, APHIS, USDA, Butler Square, Fifth Floor, 100 North Sixth Street, Minneapolis, Minnesota 55403. The telephone number is (612) 370-2225.

Sincerely,

isi John Frydenland for Jo Ann Smith

> Jo Ann R. Smith Assistant Secretary Marketing and Inspection Services

/cc: Ms. Sally Kelley, White House, Wash., DC

C107299 5 8 155

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

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The President The White House Washington, DC

July 22, 1991

Re: Taiwan Admission to GATT

Dear Mr. President:

Imagineering Inc. is a Bergen County, New Jersey-based U.S. owned and operated small business corporation engaged in the development of intellectual property. This intellectual property is primarily in the form of computer software embodied on ROM cartridges which operates through video game machines.

My company strongly opposes the admission of Taiwan to GATT.

Taiwan is the worldwide center of international copyright piracy. Taiwan has never joined the Berne Convention. The government of Taiwan does nothing to stop wide ranging copying and worldwide distribution of copyrighted computer software, including products owned or developed by my employer. Imagineering provides jobs to skilled and creative New Jersey-ians and New Yorkers. The Taiwanese rip us off while their government does nothing to put a halt to this practice.

We feel very strongly that until Taiwan stops supporting international copyright piracy for the benefit of its own semiconductor industries, at the expense of owners of intellectual property around the world, the U.S. should not reward such conduct by permitting Taiwan to join GATT.

Yours sincerely,

James Charne

Vice President Legal & Business Affairs

General Counsel

/j/cc: Garry Kitchen

UNITED STATES DEPARTMENT OF COMMERCE International Trade Administration

Washington, D.C. 20230

AUG 1 6 1991

Mr. James Charne Vice President Legal and Business Affairs General Counsel Imagineering, Inc. P.O. Box 116 Glen Rock, NJ 07452

Dear Mr. Charne:

Thank you for your recent letter to the President stating your opposition to Taiwan's GATT accession based on its abuses of intellectual property right (IPR) protection. Your letter was forwarded to my office from the White House for a reply.

I appreciate your concern regarding the problem of computer software piracy in Taiwan. The United States has been working with Taiwan for several years to correct the deficiencies in its IPR protection. During this time Taiwan has made significant improvements in its IPR protection, including in the copyright area. For instance, the United States and Taiwan initialled a bilateral copyright agreement in July 1989 which provides for protection at approximately the same level as that of the Berne Convention. Taiwan is currently putting the finishing touches on its copyright law to bring it into full compliance with this bilateral agreement.

While the United States is pleased with the progress Taiwan has made, we recognize that serious problems remain. This is why the United States has cited Taiwan under the so-called "Special 301" provision of the Omnibus Trade and Competitiveness Act of 1988, which flags countries where the United States has serious problems in the IPR area. Special 301 provides that if a country has particularly egregious IPR practices that have a significant effect on U.S. products or persons that rely on IPR protection, and does not agree to make progress, the United States can take unilateral trade steps to address the situation.

The United States will continue to work with Taiwan under Special 301 to encourage further improvements in its IPR regime. Although Taiwan's IPR performance is far from perfect, the United States does not believe that this is grounds for opposing its membership in the GATT. In fact having Taiwan as a GATT member will actually provide the United States with additional tools to press for further improvements, particularly during the accession process where we often have maximum leverage to bring countries into compliance with existing GATT provisions. This will be especially true if we are successful in concluding an agreement under the GATT

to address the trade-related aspects of intellectual property rights (TRIPs) which is currently being discussed in the Uruguay Round of multilateral trade negotiations.

I trust that this reply may alleviate some of your concerns regarding Taiwan's GATT application. I should also note that the President recently stated in a letter to Congress that "the United States will begin to work actively with other [GATT] contracting parties to resolve in a favorable manner the issues relating to Taiwan's GATT accession." The particulars with respect to this statement are presently undergoing further review. However, we view it as a positive step towards the eventual full integration of Taiwan into the community of trading nations.

Sincerely,

Director

Office of Multilateral Affairs

ID# 201298

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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Always return completed correspondence record to Central Files.

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The President The White House Washington, DC

August 22, 1991

Re: Taiwan Admission to GATT

Dear Mr. President:

I wrote to you in July about policies of the Taiwan government which support and promote international copyright piracy for the benefit of its own semiconductor industries. The purpose of my letter was to request that Taiwan not be rewarded by membership in the GATT for this institutionalized theft.

My letter was referred to Mr. Louis J. Murphy, Director of the Office of Multilateral Affairs, United States Department of Commerce. Mr. Murphy wrote a very detailed reply. I thank him for taking the time to explain administration policy.

I believe it is sound policy to tie granting economic concessions to Taiwan's concrete implementation of steps to stop organized theft of U.S. intellectual property.

However, I must caution you not to grant concessions until Taiwan has clearly demonstrated it has the intestinal fortitude to put a stop to this government-supported piracy. Talk is cheap; simple legislation will not stop this practice unless it is vigorously enforced by Taiwanese authorities.

The U.S. was strong in promoting economic sanctions against the government of South Africa until it was clear apartheid was falling. I hope the U.S. will require clear and steady progress by Taiwan to stop copyright piracy before it grants economic concessions including membership in the GATT. Continued progress according to a pre-agreed timetable should be required in order for these concessions to be maintained.

Best regards.

Yours sincerely,

James Charne

Vice President Legal & Business Affairs General Counsel

/j/cc: Garry Kitchen Louis J. Murphey

251 Rock Road • Glen Rock • NJ 07452 MAILING ADDRESS: P.O. Box 116 • Glen Rock • NJ 07452

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UNITED STATES DEPARTMENT OF COMMERCE International Trade Administration

Washington, D.C. 20230

OCT 4 1991

Mr. James Charne
Vice President
Legal and Business Affairs
General Counsel
Imagineering, Inc.
P.O. Box 116
Glen Rock, New Jersey 07452

Dear Mr. Charne:

Thank you for your follow-up letter to the President cautioning that the United States should not agree to GATT accession for Taiwan until it takes concrete steps to end copyright piracy.

As I stated in my August response to your earlier letter, the United States has worked with Taiwan for some time to address the serious copyright piracy problem there. This concentrated effort over a period of almost ten years has yielded more than just improved legislation in intellectual property rights (IPR) areas.

Enforcement of Taiwan's new laws, both by the police and by Taiwan's courts, has been, and remains, a major focus of our efforts. U.S. Government representatives stationed in Taiwan monitor Taiwan's IPR enforcement and we often receive reports from private concerns like yours on the effectiveness of these efforts. U.S. and Taiwan authorities review enforcement of Taiwan's IPR laws during regular consultations.

Additionally, as I stated in my August letter, Taiwan's IPR protection -- both legislatively and in terms of enforcement -- is reviewed annually under the Special 301 provisions of the Omnibus Trade and Competitiveness Act of 1988. Taiwan has been cited under this provision since the first review in 1989. Should IPR problems experienced by U.S. companies on Taiwan worsen significantly, the United States can take unilateral trade steps under Special 301 to address the situation.

The U.S. Government knows that Taiwan's record on IPR could stand improvement. That is why the issue of IPR protection continues to be a major agenda item for all trade contacts with Taiwan authorities. The United States continues to believe, however, that rejecting GATT accession for Taiwan because of this issue would be counterproductive. The GATT accession process, coupled with our already active bilateral efforts, will actually provide more leverage to address this serious issue.



Please feel free to contact me again if you have further concerns. Also, if you have specific enforcement problems to report, I would appreciate receiving this information so that U.S. officials can raise the incidents with Taiwan authorities.

Sincerely,

Director

Office of Multilateral Affairs

1D#266584

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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Date Correspondence Received (YY/MM/DD) 91/08/0	26			
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August 23, 1991

The Honorable George H. W. Bush President of the United States of America The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear President Bush:

DynaPath Systems' corporate predecessor was one of the inventors of the numerical and computer numerical controls (CNC) for machine tools. The company has 100 employees, is located in Detroit, Michigan and has been in the machine tool business for thirty-five years. DynaPath is one of the largest U.S.-based CNC manufacturers for the machine tool industry.

DynaPath is opposed to the extension beyond December 31, 1991 of the machine tool Voluntary Restraint Agreements with Taiwan and Japan. We continue to hold this view because of the adverse impact VRAs have had on our business, our customers, and ultimately on the companies that use machine tools to make everything from automotive parts to the most sophisticated equipment for our national defense.

Years ago, the controls were an almost negligible portion of a machine tool, both in terms of cost and performance. The digital drive technology, computer numerical controls and software now accounts for as much as 40% of the cost of some CNC machine tools. Not surprisingly, this part of a machine tool is the most critical determinant of a machine's operating performance. DynaPath has invested millions of dollars to make further advances in CNC control technology, but the five-year period of the VRAs has seen Japanese CNC products capture 60% of the U.S. market.

With lower cost sources of the mechanical "iron" portion of machine tools limited by the VRAs, or threatened by a possible extension, many of DynaPath's customers in the production of a complete machine tool have fought just to survive the five-year period of VRAs. Many are on the verge of bankruptcy. In our view the VRAs have served to strengthen our foreign competition and their transplants in the U.S. It is no surprise to DynaPath that automated Japanese machine tool transplants, such as Mazak, and dominant Japanese CNC makers such as Fanuc and Mitsubishi, want to protect their U.S. investments and growing U.S. market shares by extending the VRAs. If our government continues to focus on "protection," the U.S. machine tool industry will be controlled by foreign technology.



Protecting the low technology end of the business through the VRAs has only compounded the problem and made smaller U.S. manufacturers captives of Japanese control technology. It has also cost DynaPath business. We lost a significant order to supply controls and software to a major Taiwanese machine tool maker because the VRAs restricted Taiwanese access to the U.S. market.

Our industry can benefit, and has benefited, from some forms of governmental action. The National Center for Manufacturing Sciences, the National Institute of Standards and Technology, the Department of Defense, the Air Force and the Department of Commerce are helping advance U.S. machine tool competitiveness through a number of programs. For example, DynaPath is participating in a multi-million dollar Department of Defense and Air Force program to develop the next generation of controls (CNC) for machine tools.

VRAs, on the other hand, distort industry investment and adjustment. They encourage manipulation of business decisions to avoid the VRAs, such as changing sources of low cost cast iron and mechanical parts. These decisions are costly and have no relationship to the market. They are the death knell to small manufacturers. The more we distort our market the less we will be able to go toe-to-toe in global competition, and we will become less competitive here at home.

We simply cannot afford to continue this perverse protection that puts more and more smaller U.S. firms under the grips of Fanuc and Mitsubishi. I ask for your support in seeing to it that the VRAs are not extended.

Sincerely,

John P. Nicholl

President



UNITED STATES DEPARTMENT OF COMMERCE International Trade Administration

Washington, D.C. 20230

SEP | 3 | 1991

Mr. John P. Nicholl President Dynapath Systems Incorporated 12843 Greenfield Road Detroit, Michigan 48227

Dear Mr. Nicholl:

Thank you for your letter of August 9, 1991, to President Bush, opposing the extension of the existing voluntary restraint agreements (VRAs) on exports of machine tools from Japan and Taiwan. Because the Department of Commerce is responsible for enforcing the VRA program, your letter was forwarded to us for consideration.

As you know, the current VRAs are scheduled to expire on December 31, 1991. Thus far, no decision has been made regarding their extension. Please be advised that we are analyzing the effects of the VRAs, and expect there will be an extensive debate of the issue in the coming months. Your views on this important issue are certainly welcome and will be given careful consideration as the debate progresses. Please feel free to contact me at (202) 377-1780 should you have additional questions on this matter.

Sincerely,

Marjorie A. Chorlins

Deputy Assistant Secretary

for Import Administration



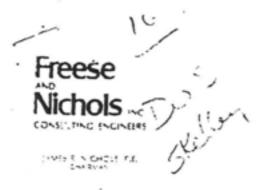
THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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INCOMING

DATE RECEIVED: AUGUST	20, 1992				
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REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,0EOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.



who

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August 5, 1992

921758

The Honorable George Bush President of the United States 1600 Pennsylvania Avenue Washington, DC 20500

Dear Mr. President:

I am writing to urge speedy approval by the U. S. State Department of Taiwan's request to purchase 180 F-16 aircraft to be produced by General Dynamics in Fort Worth, Texas.

As you know, Taiwan has made repeated requests to purchase this superb aircraft for a number of years and I am afraid if approval of the sale is not given at an early date, then this good friend of the United States will turn to the French and purchase the Mirage 2000. This is unfortunate because it is my understanding that they prefer the F-16, to say nothing of the economic loss of sending the benefits of these potential jobs to one of our strongest competitors in the international market.

On a personal note, we are hurting here in Fort Worth, Texas. The loss of jobs at Carswell Air Force Base, General Dynamics, LTV, and Bell Helicopter, has come at a time when the economy was still reeling from slowdowns in the petroleum and real estate markets.

Again, I urge you to use your influence to approve the sale of F-16's to Taiwan. In doing so, you will be continuing a long relationship between this country and a trusted friend and ally, and at the same, providing jobs and boosting the economy of Fort Worth and Tarrant County.

Sincerely yours,

James R. Nichols

Tim R. I Sub los

JRN:sd





Washington, D.C. 20520

November 18, 1992

Mr. James R. Nichols Chairman Freese and Nichols, Inc. 811 Lamar Street Fort Worth, TX 76102

Dear Mr. Nichols,

I am responding on behalf of President Bush to your letter of August 5 regarding the sale of F-16 combat aircraft to Taiwan.

As you know, the President announced on September 2 that the U.S. will sell 150 F-16A/B combat aircraft to Taiwan in accordance with our obligations under the Taiwan Relations Act. This will help Taiwan to maintain a sufficient self-defense capability.

This decision also reflects the President's determination to make sure U.S. industry is supported in its campaign to compete successfully in the global market place. The F-16 sale demonstrates that we will be competitive in Taiwan, in defense and other industries.

I can assure you President Bush is committed to promoting U.S. trade abroad. Thank you for your letter to the President.

Sincerely,

B. Zynn Pascoe

Principle Deputy Assistant

Secretary,

Bureau of East Asian and Pacific Affairs

Attachment: correspondence returned.

THE WHITE HOUSE

CORRESPONDENCE TRACKING WORKSHEET INCOMING DATE RECEIVED: AUGUST 10, 1992 NAME OF CORRESPONDENT: MR. RICE M. TILLEY JR. SUBJECT: CONCERNS REGARDING THE SALE OF F-16 FIGHTERS TO TAIWAN ACTION DISPOSITION DATE TYPE C COMPLETED ACT ROUTE TO: CODE YY/MM/DD RESP D YY/MM/DD OFFICE/AGENCY (STAFF NAME) C92109116 ORG 92/08/10 JUNE WALSH REFERRAL NOTE: A no date given DEPARTMENT OF STATE RAR 92/08/1 REFERRAL NOTE: REFERRAL NOTE: REFERRAL NOTE: REFERRAL NOTE: COMMENTS: ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: MAIL USER CODES: (A) _____ (B) ____ (C) ____ ********** *DISPOSITION *ACTION CODES: *OUTGOING *CORRESPONDENCE: *A-APPROPRIATE ACTION *A-ANSWERED *TYPE RESP=INITIALS *C-COMMENT/RECOM *B-NON-SPEC-REFERRAL

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75, OEOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

*C-COMPLETED

*D-DRAFT RESPONSE

*S-FOR-SIGNATURE *X-INTERIM REPLY

I-INFO COPY/NO ACT NEC

*R-DIRECT REPLY W/COPY *

*F-FURNISH FACT SHEET *S-SUSPENDED

* OF S

*COMPLETED = DATE OF

OF SIGNER

OUTGOING

55

ROBERT M. RANDOLPH RICE M. TILLEY, JR. SAMUEL, A. DENNY WALTER S. PORTNEY ROBERT F. WATSON DENNIS R. SWIFT JAY S. GARRETT WILLIAM F. MCGANN MICHAEL L. MALONE WALKER FRIEDMAN ED HUDGLESTON VERNON E. REW. JR. A BURCH WALDRON, III
GARY L. INGRAM
LARRY BRACKEN
H. ALLEN PENNINGTON, JR.
GEORGE PARKER YOUNG
PAMELA ARNOLD BASSEL
CAROL WARE DAVIDSON
DABNEY D. BASSEL
LYNN M. JOHNSON
JOHN L. BECKHAM
THOMAS F. DUNN

LAW OFFICES OF

LAW. SNAKARD & GAMBILL

A PROFESSIONAL CORPORATION
3200 TEAM BANK BUILDING
500 THROCKMORTON STREET
FORT WORTH, TEXAS 76102

AREA 817 335-7373 METRO 429-2991 TELECOPY 332-7473 DIRECT DIAL NUMBER:

(817) 878-6350

August 3, 1992

B. BLAKE GOK KELLEY B. HILL STEVEN M. SMITH MICHAEL T. COOKE TODD P. KELLY JAMES H. CHEATHAM IV JAY K. RUTHERFORD STEPHEN G. WILCOX JEFFREY A. RATTIKIN STEVEN G. EARGLE

KELLI A. NORRIS

OF COUNSEL

THOS. H. LAW BAYARD H. PRIEDMAN ROBERT F. SNAKARD LAWTON G. GAMBILL HARRY HOPKINS

RICE M. TILLEY (1899-1990)

9216734

The Honorable George Bush President of the United States 1600 Pennsylvania Avenue Washington, DC 20500

Re:

General Dynamics—Sale of F-16 Fighters to Taiwan

Dear President Bush:

I am writing you in two capacities—first, as a former Chairman of the Board of the Fort Worth Chamber of Commerce, and second, as an active member (as you know) of both the Tarrant County Republican Party and the State Republican Party.

Chamber Perspective

In my capacity as Chairman of the Board of the Fort Worth Chamber of Commerce, I have led four trade mission trips to the Republic of China on Taiwan. Our missions included the Mayor and several members of the City Council of the City of Fort Worth, the Speaker of the Texas House, and several members of the Texas House (in addition to an impressive group of local business leaders). We met with the President of Taiwan and most of their top elected and appointed officials.

The City of Fort Worth has painstakingly established a close relationship with the Republic of China on Taiwan, and this relationship is now in serious jeopardy because of Taiwan's inability to purchase the Fort Worth-produced F-16.

This is particularly regrettable since the Republic of China on Taiwan has been one of our country's staunchest allies since the 1940's.

Failure to sell the F-16's to Taiwan will: (1) foster a deterioration of our relations with Taiwan; and (2) weaken one of our country's top defense contractors while strengthening a foreign competitor (since Taiwan will simply purchase Mirage jets).

The Honorable George Bush August 3, 1992 Page 2

I am well aware of your exemplary record of service as Ambassador to the People's Republic of China, but I am confident that public sentiment following the Tianenmen Square incident does **not** favor turning our back on a proven ally in order to appease the current dictatorship of the People's Republic of China.

Republican Party Perspective

From a political standpoint, the closing of Carswell Air Force Base, previous F-16 cutbacks, and Secretary Cheney's determined fight against the V-22 Tilt-Rotor Aircraft have caused a substantial number of local voters to view the Republican Party with disdain, if not hostility. For these reasons, I am deeply concerned about how well the Republican Party will do in Tarrant County, and in Texas, in the November elections. Your forceful leadership in overriding the State Department's position on the proposed F-16 sale to Taiwan will provide a major boost to Republican chances in November.

With warmest personal regards,

Rice M. Tilley, Ir.

RMTjr/rac H:\DOCS\RMT\001\001\74242.1

P.S.— Please give my best regards to Barbara. Also, George W. is doing a great job with the Texas Rangers (despite the current slump!).

United States Department of State

Assistant Secretary of State for Politico-Military Affairs

Washington, D.C. 20520

Mr. Rice M. Tilley, Jr. Law, Snakard & Gambill 3200 Team Bank Building 500 Throckmorton Street Fort Worth, TX 76102

Dear Mr. Tilley:

I am responding on behalf of President Bush to your letter of August 3 regarding the sale of F-16 combat aircraft to Taiwan.

I am pleased to tell you that the President announced on September 2 that the U.S. will sell 150 F-16A/B combat aircraft to Taiwan in accordance with our obligations under the Taiwan Relations Act. This will help Taiwan maintain a sufficient self-defense capability.

This decision reflects the President's determination to make sure U.S. industry is supported in its campaign to compete successfully in the global market place. The F-16 sale demonstrates that we will be competitive in Taiwan, in defense and other industries.

I can assure you President Bush is committed to promoting jobs at home through U.S. trade abroad. Thank you for your letter to the President.

Robert L. Gallucci

Enclosure: correspondence returned.

White House Staff and Office Files - Karl Jackson Files (NSC)

Folder Title - Taiwan-1989

Letter from Richard V. Allen, Re: Visit to Taiwan Memo to Brent Scowcroft, Re: Taiwan guidelines

Memo with attachments, Re: U.S.-Taiwan economic cooperation



RICHARD V. ALLEN CHARMAN

11 December 1989

It was a pleasure to see you last week, and I thank you very much for the fine luncheon at the Hyatt. I apologize for running off in such a hurry to catch my plane.

You asked that I share with you my observations after visiting Taiwan, and I am pleased to do so.

While in Taipei, I met with a number of government officials at the rank of Minister and just below, with the Secretary General of the Kuomintang (also an old friend), with a number of astute business persons, and even with members of the opposition party. I also had extensive discussions with very high ranking military officers (at the leadership level).

Understandably, Topic Number One was the results of the Saturday elections. The "bottom line" is, as you know, that the KMT lost seats and the Opposition (DPP) gained seats. In some newspapers outside Taipei, this was depicted as a "severe" loss for the KMT, and has also been interpreted as a "solid gain" for the DPP. I am not so sure.

In the Legislative Yuan races, the KMT won 71 seats, and the DPP increased from 12 to 21 seats. Since 20 seats are required to introduce legislation, it is clear the the DPP will take advantage of the opportunity, and thus will cause legislative headaches for the KMT.

However, the KMT's solid majority is also enhanced by five independents who will vote with the ruling party. Further, the KMT's basic attitude is very interesting: Its leaders, privately and publicly, recognize (a) that the DPP will now be forced to act as a responsible opposition party, no longer with the luxury of shouting matches and even physical violence in the Legislative Yuan; (b) that much of the DPP "victory" is in reality dissatisfaction with certain features of KMT policy and its personnel, and therefore can be interpreted not so much as a DPP "victory" but more a

11 December 1989 Page Two

protest vote against the present structure of the KMT; and (c) that many people who voted for the Opposition wanted the KMT to get a strong message to reform itself.

If this is so, then the KMT has started out correctly; President Li Tenghui held special meetings of the Party and the Cabinet, and sent out a strong message to begin the process of reform.

Part of the dissatisfaction with the KMT has its roots in the continued presence of many old Mainlanders in the Legislative Yuan. People, and especially the young, resent the older folks, and feel that they are out of step with the demands of modern life. This is quite likely the truth.

At the same time, <u>everyone</u> recognizes that the present prosperity of Taiwan is the result of forty years of KMT rule. No one wants that prosperity to be threatened, either internally by instability and/or chaos, or externally, by the PRC.

Some DPP gains are very significant, especially at the county and local levels. To be sure, the election of Yoo Chin as Magistrate of Taipei County will have important ramifications, because he is in a position to draw the Central Government into numerous disputes, and even into important power struggles. Although the KMT lost this election by only 4,000 votes in a total of 1.2 million, the KMT candidate was hand-picked by President Li Tenghui, and therefore the KMT loss is magnified.

Many strong supporters of the KMT agree that the results are actually good for the Party and the country, and believe that the leadership will move quietly to present new programs and a "new attitude."

There will be local elections in January, and it will be instructive to watch those results. The Presidential election is in March, but it is an election by the Legislature and hence the outcome is already determined. Interest will soon focus on the Vice Presidential running mate of Li Teng-hui; most people I spoke with suggested a "middle-aged" candidate, but there has also been some talk in favor of General Chian Wei-kuo, brother of the later President Chiang Ching-kuo.

11 December 1989 Page Three

While I was in Taipei there was a fairly significant Cabinet change: General Hau Pei-tsun, for eight years the Chief of the General Staff, was named Minister of Defense, and was succeeded by an Air Force General, Chen Hsing-ling. General Hau is a strong man, and has done a lot for the country. His continuing presence at the leadership level is reassurance to the people that Taiwan's defenses will remain strong, and is probably also intended as a gesture to Mainland China.

Business and professional people with whom I met were unconcerned about the KMT's loss of strength. Their outlook is positive, and they seem to expect continued growth and the further development of the country's international economic standing. In fact, business is more concerned about possible protectionism on the part of the United States than it is about the domestic economic situation.

I left Taiwan with the feeling that most of what I heard from a wide variety of people accurately reflects the real situation. I would add that Taiwan's leaders are also quite confident that they are "winning" in the image struggle with the PRC, and believe that the Tiananmin Massacre has dealt Peking a very severe blow. Taiwan's ability, by contrast, to conduct an open, democratic election is something of which Taiwan's leaders can be justifiably proud, and they are happy that some twenty-five international teams of election observers unanimously confirmed that the elections were both free and fair.

Despite some scattered reports of irregularities and claims of voting fraud, nothing has been discovered to substantiate such charges. A recount in Tainan Hsien showed no difference in the figure originally reported, and I, for one, cannot conceive of a situation in which the Kuomintang, if determined to rig the elections, would ever have allowed the crucial post of Taipei County magistrate to fall to the DPP!!

In my meeting with one of the leading Taiwanese dissidents (who had been jailed for five years for making a "seditious" Speech), I was told that vote-buying was widespread. While I wouldn't for a moment condone that practice, I asked that person if she had ever head of Chicago and Boston, both citadels of democracy where machine politics included vote-buying as a way of life.

11 December 1989 Page Four

There was one element that seems, at least on the surface, to have appeared unfair: The government's dominance of the television networks. But that's not limited to Taiwan; most of the rest of the world has the same problem of state-owned television systems.

I'm not sure you wanted to have this much information concerning my observations, but I sent it along with my best wishes to you.

Sincerely,

/s/

Richard V. Allen

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United States Department of State

Washington, D.C. 20520

7994

MEMORANDUM TO:

October 5, 1989

Mr. Brent Scowcroft National Security Affairs Advisor The White House

Mr. H. Lawrence Sandall Executive Secretary Central Intelligence Agency

Colonel George P. Cole, Jr. Executive Secretary Department of Defense

Other Addresses (see attached)

Subject: Taiwan Guidelines

The Department of State has received a number of inquiries from other agencies on how to do business with Taiwan's Coordination Council for North American Affairs or with representatives of the Taiwan authorities. Many callers are new to the federal government and thus unfamiliar with the nuances of our people-to-people relationship with Taiwan. To clarify this situation, please circulate the following guidelines on the conduct of unofficial relations with Taiwan.

In establishing diplomatic relations with the People's Republic of China (PRC), the US Government recognized the PRC Government as the sole legal government of China. Both sides agreed that, within this context, the people of the United States would maintain cultural, commercial and other unofficial relations with the people on Taiwan. The President has reaffirmed this policy.

The Taiwan Relations Act (TRA) (Public Law 96-8 of April 10, 1979) provides the legal framework for the conduct of these unofficial relations. In the absence of diplomatic ties, the TRA stipulates that programs, transactions, and other relations conducted or carried out by the President or any agency of the US Government with respect to Taiwan shall be conducted and carried out by or through the American Institute in Taiwan (AIT). AIT, a nonprofit corporation headquartered in Rosslyn, Va., with offices in Taipei and Kaohsiung on Taiwan, is under contract to the Department of State to perform these functions.

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- 2 -

Taiwan has established a counterpart organization to AIT called the Coordination Council for North American Affairs (CCNAA). CCNAA has its US headquarters in Washington, D.C. and other offices in major cities around the US. The unofficial relations between the people of the United States and the people on Taiwan are carried out through these two private organizations.

This framework has proven effective; trade and other unofficial relations with Taiwan have expanded dramatically in the past decade.

Guidelines for specific areas of the conduct of unofficial relations with Taiwan are as follows:

Terminology. Consistent with the unofficial nature of US-Taiwan ties, the US Government no longer refers to Taiwan as the "Republic of China," a term reflecting Taipei's continuing claim to be the government of China. Nor does the US Government refer to Taiwan as a "country" or a "government." We refer to Taiwan simply as Taiwan and to its leadership as "the Taiwan authorities".

Correspondence. Executive departments and agencies should not correspond directly with CCNAA or their counterparts on Taiwan. All such correspondence must take place through or under the auspices of AIT. This usually takes the form of a letter from AIT Washington or Taipei, incorporating the view of the concerned US department or agency, to CCNAA Washington or Taipei.

Unofficial Meetings and Contacts. Guidelines concerning unofficial meetings and contacts between executive branch personnel and CCNAA or visitors from Taiwan are complex. In general, they take place at AIT or in other non-official settings, not in executive branch offices. Questions should be directed to the Taiwan Coordination Staff (EAP/RA/TC) of the Department of State.

Twin Oaks. Executive branch personnel may not attend functions at Twin Oaks, the former residence of the "Republic of China" ambassador. They may, however, accept invitations to social functions held at the homes of CCNAA personnel.

Double Ten Celebrations. The Taiwan authorities celebrate October 10 as the anniversary of the founding of the *Republic of China*. In general, officials at any level from the foreign affairs agencies (State, Defense, NSC/White House, and CIA), as well as officials above the rank of GS-14 from any other part of the Executive Branch,

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- 3 -

may not attend the formal CCNAA reception held on that day. Questions regarding attendance by executive branch personnel at receptions hosted by CCNAA in honor of this event in October should be directed to the Taiwan Coordination Staff.

Travel. Executive branch personnel who contemplate travel to Taiwan for work-related reasons must have the prior concurrence of the State Department (EAP/RA/TC). Such personnel travel to Taiwan as consultants to AIT. Senior executive branch officials at or above the level of consul general or counsellor of embassy/assistant secretary/flag officer of three stars must also obtain clearance from the State Department for tourist travel to Taiwan. All travel must be on a regular passport.

Gifts. US Government guidelines on gifts from foreign sources, including free travel, apply to executive branch personnel in their relations with Taiwan/CCNAA. Questions should be directed to the ethics office of the concerned individual's department or agency.

Questions on policy matters related to these guidelines should be directed to the Taiwan Coordination Staff of the Department of State (tel. 647-7711).

Questions on the actual conduct or implementation of our unofficial relations should be directed to AIT (tel. 525-8474).

J. Stapleton Roy Executive Secretary



SECRET WITH UNCLASSIFIED ATTACHMENT

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

October 26, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH:

KARL JACKSON KOT

FROM:

DOUGLAS PAAL

SUBJECT:

Annual Letter to U.S.-Taiwan Joint Business

Conference

At Tab I is a memorandum for the President recommending that he sign a letter to Ambassador David Kennedy, former Secretary of the Treasury and head of the "U.S.-R.O.C. Economic Council."

Concurrence by:

Hoffmann.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Scowcroft/President Memorandum

Tab A Letter for Presidential Signature to D. Kennedy

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS

Coise No. 99-0182-F

SECRET WITH UNCLASSIFIED ATTACHMENT Declassify on: OADR

SEGRET

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02b. Memo	From Brent Scowcroft to POTUS RE: Annual Letter to Ambassador David Kennedy Regarding U.STaiwan Joint Business Conference (1 pp.)	n.d.	P-1, F-1, P-5	S
COLLECTION				
Bush Presi	dential Records ecurity Council on Files			
FILE LOCATIO Taiwan - 1		OA/ID Nur	nber CF00309	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

06/16/1999

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE

Dear Ambassador Kennedy:

I congratulate you on the occasion of the Annual Joint Business Conference of your Council and its counterpart on Taiwan.

In recent years, Taiwan has faced and surmounted a daunting set of hurdles on the path of economic liberalization and political reform. This performance has been impressive.

Our two sides also engaged, forthrightly and constructively, in tough negotiations on economic issues between us. Much has been done, and much remains to be done. I salute the spirit of those who have put their energy into these demanding tasks and I urge them on to new progress in the year ahead.

Business people from both Taiwan and the United States are, of course, the engine of the change and progress we witness today. I commend their industry, creativity, and cooperation and wish them success.

Sincerely,

The Honorable David Kennedy 4701 East South Temple Street Room 203 Salt Lake City, Utah 84150 White House Staff and Office Files - Karl Jackson Files (NSC)

Folder Title - Taiwan-1990 Re: Arms sales to Taiwan Re: Arms sales to Taiwan

Letter from Senator Robert Kasten, Re: U.S.-Israel free trade Re: Joint Business Conference of U.S.-Taiwan Economic Council

Re: Burden sharing

Re: Taiwan and the Gulf War

Letter from W.N. Morell, Jr. of U.S.-ROC Economic Council Letter to David Laux of American Institute on Taiwan (AIT)

Meeting with AIT Director Thomas Stanley Brooks

Re: Taiwan and the GATT Re: Taiwan and the GATT

Re: Taiwan-U.S. military relations

Re: Taiwan and the GATT

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01a. Memo	From Doug Paal to Brent Scowcroft RE: Arms Sales to Taiwan (1 pp.)	11/28/90	P-1, F-1, P-5	S
	dential Records ecurity Council on Files		,	
Taiwan - 1		OA/ID Num Date Closed	ber CF00758 06/16/1999	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
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- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOLA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01b. Memo	From Lawrence Eagleburger (State) to Brent Scowcroft RE: Arms Sales to Taiwan (4 pp.)	11/10/90	P-1, F-1, P-5	S
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		Date Closed	06/16/1999	-

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
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Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01c. Memo	From Doug Paal to Brent Scowcroft RE: Eagleburger Memo (1 pp.)	11/14/90	P-1, F-1, P-5	S
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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Date Closed

06/16/1999

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02a. Memo	From Doug Paal to Brent Scowcroft RE: Arms Sales to Taiwan (1 pp.)	11/28/90	P-1, F-1, P-5	S
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FILE LOCATIO Taiwan - 1		OA/ID Num	ber CF00758	,
		Date Closed	06/16/1999	

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02b. Memo	From Lawrence Eagleburger (State) to Brent Scowcroft RE: Arms Sales to Taiwan (4 pp.)	11/10/90	P-1, F-1, P-5	S
	dential Records ecurity Council on Files		,	

FILE LOCATION

Taiwan - 1990

OA/ID Number CF00758

Date Closed

06/16/1999

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
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- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

ROBERT W. KASTEN, JR.

United States Senate

WASHINGTON, DC 20510-4902

October 17, 1990

Lt. Gen. Brent Scowcroft Assistant to the President National Security Council 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear Brent:

I was one of the major proponents of the U.S.-Israel Free Trade Agreement. I continue to believe that our FTA with Israel was wise not only for our bilateral relationship with Israel but from the point of view of our overall trade policy.

That is why I am so concerned when I hear that the Taiwanese are attempting to exploit the U.S.-Israel FTA as a way of circumventing their Machine Tool Voluntary Restraint Agreement with us. It is my understanding that Taiwan has been using Israel as a conduit for machining centers that exceed their 200-machine quota under the VRA to which they agreed in 1986.

Israel is one of our closest allies. I am sure they will be sensitive to the fact that the VRA with Taiwan was established by President Reagan under Section 232 of the Trade Act of 1962 because of his desire to protect U.S. emergency mobilization capability and the health of our defense-industrial base.

I urge you, therefore, to remind your Israeli counterparts of the importance of the VRA to our mobilization plans and to reject the argument that this is a trade dispute that should be handled under the normal dispute resolution mechanisms.

Best regards,

THE WHITE HOUSE

October 31, 1990

Dear Ambassador Kennedy:

Congratulations on the occasion of the Fourteenth Annual Joint Business Conference of your Council and its counterpart on Taiwan. Since their founding in 1976, the two Councils have played a vital role in promoting and strengthening economic ties between the United States and Taiwan. I am certain that this joint conference will prove to be mutually rewarding.

We Americans have been deeply impressed by Taiwan's economic achievements and by the steps taken toward democratic reform. In many ways Taiwan is becoming a model of how to create a more open and prosperous society. We hope this progress will continue.

Taiwan is one of our largest trading partners and holds huge foreign exchange reserves. With these factors come new responsibilities to help achieve fairer, more balanced trade. We are pleased with the steps Taiwan has taken to reduce its trade surplus with the United States over the past three years. This represents good progress, but much remains to be done. We must all continue efforts to liberalize our economies, to correct the structural imbalances, and to remove the remaining impediments to an open trading system. This is a matter requiring serious, ongoing attention if both the United States and Taiwan are to continue to prosper.

On a personal note, let me take this occasion to pay tribute to the contribution you have made as Chairman of the U.S. Council. Since their inception, you have played a major role in the development of the United States and Taiwan Economic Councils which in turn have promoted

better economic and trade relations between our peoples. However, your list of accomplishments does not end there. Through your work as Secretary of the Treasury and Ambassador to NATO, as Chairman of Continental Bank in Chicago, and as a leader in your church, you have made many important contributions to both the public and private sectors. Barbara and I wish you a happy and healthy retirement.

Please convey my appreciation to the members of both Councils, as well as my best wishes for a productive conference and continued success.

Sincerely,

The Honorable David M. Kennedy 3793 Parkview Drive Salt Lake City, Utah 84124

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03a. Memo	From Brent Scowcroft to POTUS RE: Letter to Ambassador Kennedy (1 pp.)	10/30/90	P-1, F-1, P-5	
	dential Records ecurity Council on Files		,	
FILE LOCATIO Taiwan - 1		OA/ID Num Date Closed	ber CF00758 06/16/1999	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03b. Memo	From Doug Paal to Brent Scowcroft RE: Letter to Ambassador Kennedy (1 pp.)	10/24/90	P-1, F-1, P-5	
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	dential Records ecurity Council on Files			
FILE LOCATIO Taiwan - 1		OA/ID Num Date Closed	ber CF00758 06/16/1999	ξ,

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Cable	From AIT, Taipei to AIT, D.C. RE: Taiwan and Burden Sharing [SENT FOR AGENCY REFERRAL] (3 pp.)	09/07/90	P-1, F-1	S
-				
	dential Records ecurity Council on Files		,	
FILE LOCATIO Taiwan - 1		OA/ID Num	ber CF00758	1
		Date Closed	06/16/1999	

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NATIONAL SECURITY COUNCIL

September 4

TO: KARL JACKSON

FROM: TIM DEAL

Attached is a copy of the message as revised.

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. Draft message	From Tim Deal to Karl Jackson RE: Message to Taiwan President Lee re: Gulf War [SENT FOR AGENCY REFERRAL] (2 pp.)	09/04/90	P-1, F-1	S
	dential Records ecurity Council on Files		,	
Taiwan - 1		OA/ID Numi	ber CF00758 06/16/1999	1

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USA-ROC ECONOMIC COUNCIL

P. O. Box 517

Crystal Lake, Illinois 60014

Phone 815/459-5875 - Telex 6871399 OAK CL

Facsimile 815/459-5011

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DONALD E. WOLF Monitor Manufacturing

ROBERT T. YAHNG Baker & McKenzie Mr. Karl Jackson Special Assistant to the President For East Asian and Pacific Affairs National Security Council Room 302, Old Executive Office Building Washington DC 20506

Dear Karl,

July 6, 1990

Now that our lecturing days are over with Motorola et. al., the only chance I have to see you is at our Board Meetings in the Madison Hotel.

I really appreciate the effort you made to be there, Karl, and the very helpful broad-brush view you provided of US relations in Asia. Your evaluation of our ties with Japan and what this means for Taiwan were particularly interesting.

I hope all continues to go well with you in the NSC.
I know you have a crowded docket which makes me doubly appreciative that you were with us.

All the very best.

W. N. Morell, Jr.

THE WHITE HOUSE WASHINGTON

June 27, 1990

Dear Dave:

As you prepare to end your stint as Chairman and Managing Director of the American Institute in Taiwan (AIT), please accept my sincerest thanks for your distinguished service at AIT and for your contributions to the welfare of this nation throughout your 37 years of government service.

I very much appreciate and compliment you for the superb job you have done in managing relations between the people of the U.S. and the people on Taiwan. The dedication, competence and imagination that you brought to AIT, and to all your government service, have earned you my respect and that of your colleagues. You may be justly proud of your many accomplishments in service to the Nation.

Please accept my best wishes for every success in your new position as President of the USA-ROC GBL Ett deleviered In So period Land By L. Salvetan By L. Salvetan Economic Council.

Sincerely,

Mr. David N. Laux Chairman of the Board and Managing Director American Institute in Taiwan 1700 N. Moore Street Arlington, Virginia 22209



THE WHITE HOUSE

WASHINGTON

THE PROOF TO THIS SEEN

July 17, 1990

MEETING WITH

AMERICAN INSTITUTE IN TAIWAN (A.I.T.) DIRECTOR THOMAS STANLEY BROOKS AND

A.I.T. CHAIRMAN NATALE H. BELLOCHI

DATE: July 18, 1990 LOCATION: Oval Office

TIME: 10:30 - 10:40 am

FROM: BRENT SCOWCROFT/

I. PURPOSE

> To meet for photos with newly appointed representatives to Taiwan Stan Brooks and Nat Bellochi and their wives. Brooks, who has been in Taipei for several months, will touch on the sweeping political economic and foreign policy changes on the island.

II. BACKGROUND

Stan Brooks, who worked for you in Beijing, became Director of the A.I.T. office in Taipei last spring, after tours in Shanghai and as Ambassador Jim Lilley's deputy in Seoul. Mrs. Bush knew Claire Brooks well in Beijing.

Ambassador Nat Bellochi is a retired Foreign Service Officer who served most recently in Botswana and Hong Kong. He heads the Washington office of A.I.T., as Chairman.

III. PARTICIPANTS

See Tab B.

IV. PRESS PLAN

White House photographer only.

UNCLASSIFIED UPON REMOVAL OF

JGP, 12/13/00 COISE HO. 99-0182-F

v. SEQUENCE

> After photos with the Brooks and Bellochi couples, Stan Brooks will give you a quick summary of trends on Taiwan and between Taiwan and the PRC.

Attachments

Tab A Points to be Made

Tab B Participants List

> cc: Vice President Chief of Staff

Declassify on: OADR

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06b. Talking points	RE: Meeting with AIT Representatives [SENT FOR AGENCY REFERRAL] (2 pp.)	n.d.	P-1, F-1	С
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	dential Records ecurity Council on Files		,	
FILE LOCATIO Taiwan - 1		OA/ID Nun Date Closes	nber CF00758	ń,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

July 17, 1990

ACTION

Net Sec Advisor has seen

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH:

KARL JACKSON 1

FROM:

DOUGLAS PAAL!

SUBJECT:

President's Meeting with U.S. Representatives

to Taiwan on July 18, 1990

At Tab I is a memorandum for the President's brief meeting with his representative on Taiwan Stan Brooks and Natale Bellochi, the Chairman of the organization that handles U.S.-Taiwan relations.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Scowcroft/President Memorandum

Tab A

Points to be Made

Tab B

Participants List

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS

Casé No. 99-0182-F

CONFIDENTIAL.

Declassify on: OADR

CONFIDENTIAL

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08a. Memo	From Brent Scowcroft to Chief of Staff RE: Taiwan and GATT (1 pp.)	07/12/90	P-1, F-1, P-5	
-			,	
	dential Records ecurity Council on Files		,	
FILE LOCATIO Taiwan - 1		OA/ID Num	ber CF00758 06/16/1999	Ę

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NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

June 11, 1990



ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH:

KARL JACKSON XSJ

FROM:

DOUGLAS PAALDY

SUBJECT:

Memo Urging Coordination of Administration

Activities on Taiwan and the GATT

You asked for a paragraph for Governor Sununu on the need for coordination of Administration activities with respect to Taiwan and the GATT. At Tab I is a memorandum to the Chief of Staff on this subject.

At Tab II is a copy of a memorandum sent earlier to you for action, commenting on Roger Porter's memorandum to the President on the same issue.

Concurrence by: Timothy Deal (

RECOMMENDATION

That you sign the memorandum to Governor Sununu at Tab I.

Attachments

Tab I Scowcroft-Sununu memo

Tab II

Paal-Scowcroft memo

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS

JGP, 12/13/00 Case Ha. 99-0182-F

Declassify on: OADR

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09a. Memo	From Brent Scowcroft to POTUS RE: Comment on Roger Porter's Memorandum for you on Taiwan and GATT (2 pp.)	06/18/90	P-1, F-1, P-5	С
COLLECTION				
	idential Records ecurity Council on Files			
FILE LOCATIO Taiwan - 1		OA/ID Num Date Closed	ber CF00758 06/16/1999	Š.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09b. Memo	From Roger Porter to POTUS RE: Taiwan and GATT (2 pp.)	06/26/90	P-1, F-1, P-5	С
	dential Records ecurity Council on Files			
Taiwan - 1	N	OA/ID Num Date Closed	ber CF00758 06/16/1999	1

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CONFIDENTIAL

4311 Redo

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20508

June 12, 1990

ACTION

NOTED

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH:

KARL JACKSON 25

FROM:

DOUGLAS PAAL

SUBJECT:

Comment on Roger Porter's Memorandum on

Taiwan and the GATT

At Tab I is a memorandum you requested, commenting on Roger Porter's memorandum on Taiwan and the GATT.

Concurrence by: E. Melby

RECOMMENDATION

That you sign the memorandum for the President at Tab I.

Attachments

Tab I Scowcroft/President Memorandum

Tab A Copy of Porter/President Memo dated 5/29/90

Tab II Staff Memorandum dated 5/30/90 Submission (#4311)

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS

Case NO. 99-0182-F

COMPIDENTIAL Declassify on: OADR

CONFIDENTIAL

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09d. Memo	From Doug Paal to Brent Scowcroft RE: Roger Porter's Memorandum for the President on Taiwan and the GATT (2 pp.)	05/30/90	P-1, F-1, P-5	С
-				
	dential Records ecurity Council on Files		,	
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- F-1 National security classified information [(b)(1) of the FOIA]
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- F-9 Release would disclose geological or grophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09e. Memo	From Roger Porter to POTUS RE: Taiwan and the GATT (2 pp.)	05/29/90	P-1, F-1, P-5	
COLLECTION Ruch Preci	dential Records		,	
	ecurity Council			
Taiwan - 1		OA/ID Num Date Closed	ber CF00758 06/16/1999	4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
10a. Memo	From David Laux (AIT) to Karl Jackson et. Al. RE: Taiwan and U.S. Military Relations (2 pp.)	02/26/90	P-1, F-1, P-5	S
	dential Records ecurity Council on Files		,	
Taiwan - 1		OA/ID Num Date Closed	ber CF00758 06/16/1999	ζ.

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
10b. memo	From Gary Weis (AIT) to David Laux (AIT) RE: Taiwan and U.S. Military Relations (7 pp.)	02/20/90	P-1, F-1, P-5	S
-				
	dential Records ecurity Council on Files		κ.	
Taiwan - 19		OA/ID Num Date Closed	ber CF00758 06/16/1999	ė,

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
11. Memo	From Eric Melby and Doug Paal to Brent Scowcroft RE: Taiwan and the GATT (2 pp.)	02/07/90	P-1, F-1, P-5	С
	dential Records ecurity Council on Files		,	
FILE LOCATION Taiwan - 1990			ber CF00758	1
		Date Closed	06/16/1999	

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Talking Points for meeting with Chinese Foreign Minister Taiwan Relations Act - 10 April 1979
EAP press guidance, Re: Arms sales to Taiwan

MEETING WITH CHINESE FOREIGN MINSTER

- THE MEETING BETWEEN THE ACTING SECRETARY AND CHINA'S FOREIGN MINISTER DEALT WITH THE U.S. DECISION TO APPROVE THE SALE OF F-16 AIRCRAFT TO TAIWAN.
- THE U.S. MADE CLEAR THE IMPORTANCE IT ATTACHES TO ITS
 RELATIONS WITH CHINA AND ITS INTENTION TO CONTINUE TO WORK
 FOR IMPROVEMENT IN ITS RELATIONS WITH CHINA.
- I'M NOT GOING TO CHARACTERIZE THE CHINESE POSITION, BUT IT IS FAIR TO SAY THEY MADE THE SAME POINTS THEY MADE BEFORE.

TAIWAN RELATIONS ACT

human rights of all the approximately eighteen million inhabitants of Taiwan. The preservation and enhancement of the human rights of all the people on Taiwan are hereby reaffirmed as objectives of the United States.

DEPLEMENTATION OF UNITED STATES POLICY WITH REGARD TO TAIWAN

SEC. 3. (a) In furtherance of the policy set forth in section 2 of this U.S. defense Act, the United States will make available to Taiwan such defense and and articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.

(b) The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with procedures established by law. Such determination of Taiwan's defense needs Defense review. shall include review by United States military authorities in connection with recommendations to the President and the Congress.

(c) The President is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States Presidential arising therefrom. The President and the Congress shall determine, in accordance with constitutional processes, appropriate action by the United States in response to any such danger.

MENTIONE availability to Taiwar. 22 USC 3302.

Security threat to

APPLICATION OF LAWS; INTERNATIONAL AGREEMENTS

Sec. 4. (a) The absence of diplomatic relations or recognition shall 22 USC 3303. not affect the application of the laws of the United States with respect to Taiwan, and the laws of the United States shall apply with respect to Taiwan in the manner that the laws of the United States applied with respect to Taiwan prior to January 1, 1979.

(b) The application of subsection (a) of this section shall include, but

shall not be limited to, the following:

(1) Whenever the laws of the United States refer or relate to foreign countries, nations, states, governments, or similar entities, such terms shall include and such laws shall apply with

respect to Taiwan.

(2) Whenever authorized by or pursuant to the laws of the United States to conduct or carry out programs, transactions, or other relations with respect to foreign countries, nations, states, governments, or similar entities, the President or any agency of the United States Government is authorized to conduct and carry out, in accordance with section 6 of this Act, such programs, transactions, and other relations with respect to Taiwan (including, but not limited to, the performance of services for the United States through contracts with commercial entities on Taiwan), in accordance with the applicable laws of the United States.

(3XA) The absence of diplomatic relations and recognition with respect to Taiwan shall not abrogata, infringe, modify, deny, or otherwise affect in any way any rights or obligations (including but not limited to those involving contracts, debts, or property interests of any kind) under the laws of the United States heretofore or hereafter acquired by or with respect to Taiwan.

(B) For all purposes under the laws of the United States, including actions in any court in the United States, recognition of the People's Republic of China shall not affect in any way the ownership of or other rights or interests in properties, tangible

FURNISHING PROPERTY AND SERVICES TO AND OBTAINING SERVICES FROM THE INSTITUTE

22 USC 3308.

Sec. 9. (a) Any agency of the United States Government is authorized to sell, loan, or lease property (including interests therein) to, and to perform administrative and technical support functions and services for the operations of, the Institute upon such terms and conditions as the President may direct. Reimbursements to agencies under this subsection shall be credited to the current applicable

appropriation of the agency concerned.

(b) Any agency of the United States Government is authorized to acquire and accept services from the Institute upon such terms and conditions as the President may direct. Whenever the President determines it to be in furtherance of the purposes of this Act, the procurement of services by such agencies from the Institute may be effected without regard to such laws of the United States normally applicable to the acquisition of services by such agencies as the President may specify by Executive order.

(c) Any agency of the United States Government making funds

(c) Any agency of the United States Government making funds available to the Institute in accordance with this Act shall make arrangements with the Institute for the Comptroller General of the United States to have access to the books and records of the Institute and the opportunity to audit the operations of the Institute.

TAIWAN INSTRUMENTALITY

22 USC 3309.

Sec. 10. (a) Whenever the President or any agency of the United States Government is authorized or required by or pursuant to the laws of the United States to render or provide to or to receive or accept from Taiwan, any performance, communication, assurance, undertaking, or other action, such action shall, in the manner and to the extent directed by the President, be rendered or provided to, or received or accepted from, an instrumentality established by Taiwan which the President determines has the necessary authority under the laws applied by the people on Taiwan to provide assurances and take other actions on behalf of Taiwan in accordance with this Act.

(b) The President is requested to extend to the instrumentality established by Taiwan the same number of offices and complement of personnel as were previously operated in the United States by the governing authorities on Taiwan recognized as the Republic of China prior to January 1, 1978.

(c) Upon the granting by Taiwan of comparable privileges and immunities with repect to the Institute and its appropriate personnel, the President is authorized to extend with respect to the Taiwan instrumentality and its appropriate personnel, such privileges and immunities (subject to appropriate conditions and obligations) as may be necessary for the effective performance of their functions.

SEPARATION OF GOVERNMENT PERSONNEL FOR EMPLOYMENT WITH THE INSTITUTE

22 USC 3310.

SEC. 11. (a)(1) Under such terms and conditions as the President may direct, any agency of the United States Government may separate from Government service for a specified period any officer or employee of that agency who accepts employment with the Institute.

(2) An officer or employee separated by an agency under paragraph
(1) of this subsection for employment with the Institute shall be

entitled upon termination of such employment to reemployment or reinstatement with such agency (or a successor agency) in an appropriate position with the attendant rights, privileges, and benefits with the officer or employee would have had or acquired had he or she not been so separated, subject to such time period and other conditions as the President may prescribe.

(3) An officer or employee entitled to reemployment or reinstate- Reemployment or ment rights under paragraph (2) of this subsection shall, while continuously employed by the Institute with no break in continuity of "Fhisservice, continue to participate in any benefit program in which such officer or employee was participating prior to employment by the Institute, including programs for compensation for job-related death. injury, or illness; programs for health and life insurance; programs for annual, sick, and other statutory leave; and programs for retirement under any system established by the laws of the United States; except that employment with the Institute shall be the basis for participation in such programs only to the extent that employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, are currently deposited in the program's or system's fund or depository. Death or retirement of any such officer or employee during approved service with the Institute and prior to reemployment or reinstatement shall be considered a death in or retirement from Government service for purposes of any employee or survivor benefits acquired by reason of service with an agency of the United States Government.

(4) Any officer or employee of an agency of the United States Officer or Government who entered into service with the Institute on approved leave of absence without pay prior to the enactment of this Act shall receive the benefits of this section for the period of such service.

(b) Any agency of the United States Government employing alien personnel on Taiwan may transfer such personnel, with accrued allowances, benefits, and rights, to the Institute without a break in service for purposes of retirement and other benefits, including continued participation in any system established by the laws of the United States for the retirement of employees in which the alien was participating prior to the transfer to the Institute, except that employment with the Institute shall be creditable for retirement purposes only to the extent that employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, are currently deposited in the system's fund or depository.

(c) Employees of the Institute shall not be employees of the United. States and, in representing the Institute, shall be exempt from

section 207 of title 18, United States Code.

(d)(1) For purposes of sections 911 and 913 of the Internal Revenue Code of 1954, amounts paid by the Institute to its employees shall not be treated as samed income. Amounts received by employees of the Institute shall not be included in gross income, and shall be exempt from taxation, to the extent that they are equivalent to amounts received by civilian officers and employees of the Government of the United States as allowances and benefits which are exempt from taxation under section 912 of such Code.

(2) Except to the extent required by subsection (a)(3) of this section. service performed in the employ of the Institute shall not constitute employment for purposes of chapter 21 of such Code and title II of the 26 USC 3101. Social Security Act.

reinstatement

empioves previously employed by Alies personnel employed by U.S. transfer.

26 USC 911.

26 USC 912.

42 USC 401.

REPORTING REQUIREMENT

Agreement transmittal to Congress or congressional committees. 22 USC 3311.

SEC. 12. (a) The Secretary of State shall transmit to the Congress the text of any agreement to which the Institute is a party. However, any such agreement the immediate public disclosure of which would in the opinion of the President, be prejudicial to the national security of the United States shall not be so transmitted to the Congress but shall be transmitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives under an appropriate injunction of secrecy to be removed only upon due notice from the President.

"Agreement."

- (b) For purposes of subsection (a), the term "agreement" includes— (1) any agreement entered into between the Institute and the governing authorities on Taiwan or the instrumentality established by Taiwan; and
 - (2) any agreement entered into between the Institute and an agency of the United States Government.

Agreements and TERMINETE made by the DATITURE.

(c) Agreements and transactions made or to be made by or through the Institute shall be subject to the same congressional notification. review, and approval requirements and procedures as if such agreements and transactions were made by or through the agency of the United States Government on behalf of which the Institute is acting

Report to Speaker of the Foreign Relations Committee

(d) During the two-year period beginning on the effective date of this Act, the Secretary of State shall transmit to the Speaker of the House and Senate House of Representatives and the Committee on Foreign Relations of the Senate, every six months, a report describing and reviewing economic relations between the United States and Taiwan, noting any interference with normal commercial relations.

RULES AND REGULATIONS

22 USC 3312.

Transmittal to Speaker of the . House and Senate Foreign Relations Committee.

SEC. 13. The President is authorized to prescribe such rules and regulations as he may deem appropriate to carry out the purposes of this Act. During the three-year period beginning on the effective data of this Act, such rules and regulations shall be transmitted promptly to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate. Such action shall not, however, relieve the Institute of the responsibilities placed upon it by this Act

CONGRESSIONAL OVERSIGHT

22 USC 3313: '

- SEC. 14. (a) The Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate and other appropriate committees of the Congress shall monitor-
 - (1) the implementation of the provisions of this Act;
 - (2) the operation and procedures of the Institute; (3) the legal and technical aspects of the continuing relation ship between the United States and Taiwan; and
 - (4) the implementation of the policies of the United State concerning security and cooperation in East Asia.

Веропа.

(b) Such committees shall report, as appropriate, to their respective Houses on the results of their monitoring.

DEFINITIONS

22 USC 3314.

Sec. 15. For purposes of this Act-

(1) the term "laws of the United States" includes any statute. rule, regulation, ordinance, order, or judicial rule of decision of

"Laws of the United States."

"Taiwan."

the United States or any political subdivision thereof; and
(2) the term "Taiwan" includes, as the context may require, the
islands of Taiwan and the Pescadores, the people on those
islands, corporations and other entities and associations created or organized under the laws applied on those islands, and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and any successor governing authorities (including political subdivisions, agencies, and instrumentalities thereof).

AUTHORIZATION OF APPROPRIATIONS

Sec. 16. In addition to funds otherwise available to carry out the 22 USC 3315. provisions of this Act, there are authorized to be appropriated to the Secretary of State for the fiscal year 1980 such funds as may be necessary to carry out such provisions. Such funds are authorized to remain available until expended.

SEVERABILITY OF PROVISIONS

Sec. 17. If any provision of this Act or the application thereof to any 22 USC 3316. person or circumstance is held invalid, the remainder of the Act and the application of such provision to any other person or circumstance shall not be affected thereby.

EFFECTIVE DATE

SEC. 18. This Act shall be effective as of January 1, 1979.

22 USC 3301

Approved April 10, 1979.

LECISLATIVE HISTORY:

HOUSE REPORTS: No. 96-26 (Comm. on Foreign Affairs) and No. 96-71 (Comm. of Conference).

SENATE REPORT No. 96-7 (Comm. on Foreign Relations).

CONGRESSIONAL RECORD, Vol. 125 (1979):

Mar. 8, 13, considered and passed House.

Mar. 7, 8, 12, 13, S. 245 considered and passed Senate.

Mar. 14, proceedings vitisted: H.R. 2479, amended, passed in lieu. Mar. 28. House agreed to conference report.

Mar. 29. Senate agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 15, No. 15:

Apr. 10. Presidential statement.

EAP PRESS GUIDANCE - REUISED September 2, 1992

TAIWAN: SALE OF F-16s

Q: What rationale can you give us for the President's decision to approve the sale of F-16s to Talwan?

- A: THE DECISION TO APPROVE THE SALE TO TAIWAN OF F-16 AIRCRAFT,

 CONFIGURED FOR DEFENSIVE PURPOSES, FOLLOWED A CAREFUL

 REVIEW.
 - THE PRESIDENT'S DECISION SATISFIES OBLIGATIONS UNDER THE TAIWAN RELATIONS ACT TO PROVIDE DEFENSE ARTICLES AND SERVICES TO TAIWAN. IT ALSO ADVANCES THE CENTRAL GOAL OF THE 1982 U.S.-CHINA COMMUNIQUE ON ARMS SALES TO TAIWAN – PROMOTING CROSS-STRAIT PEACE AND STABILITY.
 - THE AGING OF TAIWAN'S AIR FORCE AND CHINA'S PURCHASE OF RUSSIAN SU-27 AIRCRAFT WERE AMONG THE FACTORS CONSIDERED IN THE PRESIDENT'S DECISION.

-2-

Q: Does this sale signal a fundamental change in our policy under the 1982 communique?

A: - NO, IT DOES NOT.

- AS THE PRESIDENT SAID, AND I QUOTE, "MY DECISION TODAY DOES NOT CHANGE THE COMMITMENT OF THIS ADMINISTRATION AND IT'S PREDECESSORS TO THE THREE COMMUNIQUES WITH THE PEOPLE'S REPUBLIC OF CHINA -- WE KEEP OUR WORD -- OUR ONE-CHINA POLICY, OUR RECOGNITION OF THE PRC AS THE SOLE LEGITIMATE GOVERNMENT OF CHINA.
- "I'VE ALWAYS STRESSED THAT THE IMPORTANCE OF THE 1982
 COMMUNIQUE ON ARMS SALES TO TAIWAN LIES IN ITS PROMOTION OF
 COMMON POLITICAL GOALS: PEACE AND STABILITY IN THE AREA
 THROUGH MUTUAL RESTRAINT." END QUOTE.
- THE SALE TO TAIWAN OF F-16 AIRCRAFT, CONFIGURED FOR DEFENSIVE PURPOSES, IS CONSISTENT WITH THIS.
- Q: Has the USG informed the Chinese Government? What was the PRC reaction?
- A: YES, WE HAVE INFORMED THE CHINESE GOVERNMENT ABOUT THE SALE, BUT I CANNOT GET INTO THE SPECIFICS OF OUR DIPLOMATIC EXCHANGES. AS FOR THE CHINESE REACTION, I WOULD REFER YOU TO THEM.

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01a. Redaction	RE: EAP Press Guidance, September 3, 1992 re: Taiwan: Sale of F-16's Redaction of revisions on page 4 [Redacted page follows] (1 pp.)	09/03/92	P-1, F-1, P-5	
-				
National Se	dential Records ecurity Council asteiner Files		У.	
Taiwan 19	92	OA/ID Numb	oer CF01770 06/16/1999	100

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EAF/F

HOWEVER, WE WOULD HOPE CHINA WILL TAKE INTO CONSIDERATION
THE DEFENSIVE NATURE OF THESE AIRCRAFT, CHINA'S OWN RECENT
ACQUISITION OF ADVANCED FIGHTER AIRCRAFT, THE DECLINE OF
TAIWAN'S AIR FORCE, AS F-5s AND F-104s HAVE GONE OUT OF
SERVICE, AND THE PRESIDENT'S STRONG COMMITMENT TO THE
U.S.-CHINA RELATIONSHIP.

Q: How much is this sale worth, and how does it compare with past sales?

A: - DETAILS

WILL BE MADE AVAILABLE AFTER WE HAVE FORMALLY NOTIFIED THE CONGRESS WHEN IT RETURNS FROM RECESS NEXT WEEK.

IF PRESSED

- FOR GENERAL INFORMATION ABOUT PAST SALES, I WOULD REFER YOU TO THE ANNUAL CONGRESSIONAL PRESENTATION DOCUMENTS.

Drafted:EAP:KBailes/ELYamauchi/CHart/HTroutman Cleared:EAP:BLPascoe EAP/RA/TC:DKeegan;JBorich EAP/CM:RPerito

PM:RMantel/TLyng P:EJRRevere P:AKanter NSC:DPaal DOD/ISA:EWoon

DOD/ISA:EWoon H: (Info)

White House Press Office:PClark (info) PA:JSnyder

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01b. Redaction	RE: EAP Press Guidance, September 3, 1992 re: China/Taiwan F-16 Sale Redaction of revisions on page 5 [Redacted page follows] (1 pp.)	09/03/92	P-1, F-1, P-5	
National Se	dential Records ecurity Council asteiner Files	ı	,	
FILE LOCATIO		OA/ID Num Date Closed	ober CF01770 06/16/1999	

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EAP PRESS GUIDANCE September 3, 1992

CHINA/TAIWAN - F-16 SALE

Q: Has the PRC protested? When? Where? What did they say or threaten?

A: -- PRC VICE FOREIGN MINISTER LIU HUACIU

MET WITH

CALLED AMBASSADOR ROY WEED THE FOREIGN MINISTRY OF DELIVER P

THE EXPERT OF SELL F-16S

TO TAIWAN

- THE PROTEST PARALLELED THE PUBLIC STATEMENT WHICH THE PRO GOVERNMENT RELEASED IN BEIJING YESTERDAY.
- Q: Has there been any additional reaction since the President's announcement?
- A: -- I UNDERSTAND THAT THE CHINESE EMBASSY ISSUED A STATEMENT YESTERDAY EVENING.
 - YOU SHOULD CHECK WITH CHINESE AUTHORITIES FOR FURTHER INFORMATION.

Drafted:EAP/CM - CAHart SECMPOL6539 9/3/92 7-6813

Cleared: EAP: WClark, Jr.

EAP:BLPascoe

EAP/CM:RMPerito &

EAP/CM:JJNorris

P:ERevere '

PM/DRSA:TJLyng EAP/P:EYamauchi

103 for

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01c. Redaction	RE: EAP Press Guidance, September 3, 1992 re: Ambassador Clark's Travel: APEC, China, Japan Redaction of revisions on page 7 [Redacted page follows] (1 pp.)	09/03/92	P-1, F-1, P-5	
COLLECTION Bush Presi	idential Records			
National S	ecurity Council nsteiner Files			
FILE LOCATIO		OA/ID Norm	her CE01770	5
Taiwan 19	92	Date Closed	ber CF01770	-
		Date Closed	06/16/1999	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA] EAP PRESS GUIDANCE September 3, 1992

AMBASSADOR CLARK'S TRAVEL: APEC, CHINA, JAPAN

- Q: Can you confirm that Assistant Secretary Clark will travel to China in connection with the F-16 sale to Taiwan?
- A: ASSISTANT SECRETARY CLARK PLANIA TO BE IN THE EAST

 ASIA-PACIFIC REGION TO ATTEND THE ASIA-PACIFIC ECONOMIC

 COOPERATION (APEC) MEETING IN BANGKOK. THOSE MEETINGS TAKE

 PLACE DURING SEPTEMBER 10-11.
 - SECRETARY CLARK,
 PREPARED TO DISCUSS OUR OVERALL RELATIONS AS WELL AS THE
 PRESIDENT'S
 DECISION TO AUTHORIZE THE
 SALE OF F-16 AIRCRAFT TO TAIWAN. ARRANGEMENTS FOR A STOP IN
 CHINA ARE NOT YET FINAL. HE WILL ALSO STOP BRIEFLY IN JAPAN TO
 DISCUSS TOPICS OF BILATERAL, REGIONAL, AND INTERNATIONAL
 CONCERN.

Q: Who will head the U.S. delegation to the APEC meeting?

SHOK

A: - I DON'T HAVE ANY ANNOUNCEMENT ON THAT AT THIS TIME.

Draft:EAP/P-ELYamauchi;KBailes

9/2/92 ext. 72538

EAP/CM:RPerito

EAPPEP PLINOTH

EAP:WClark

PM Press Guidance September 3, 1992

CHINA AND ACME

- Q: Why should the Chinese continue to participate in the President's ACME Initiative to restrain arms transfers after our decision to sell F-16s to Taiwan?
- A -- CHINA'S OPPOSITION TO THE F-16 SALE IS A BILATERAL
 MATTER WHICH SHOULD IN NO WAY INFLUENCE PRC
 POSITIONS ON MULTILATERAL INITIATIVES OR BEIJING'S
 INTERNATIONAL RESPONSIBILITIES.
 - -- THE U.S. HAS ALWAYS STRESSED THAT THE IMPORTANCE
 OF THE 1982 U.S.-PRC COMMUNIQUE ON ARMS SALES TO
 TAIWAN LIES IN ITS PROMOTION OF COMMON POLITICAL
 GOALS, AND PEACE AND STABILITY IN THE AREA
 THROUGH MUTUAL RESTRAINT.
 - THE F-16 SALE DOES NOT CHANGE THE COMMITMENT OF
 THIS ADMINISTRATION AND ITS PREDECESSORS TO THE
 THREE COMMUNIQUES WITH THE PRC.

- -- IN REGARDS TO THE PRESIDENT'S ARMS TRANSFER RESTRAINT INITIATIVE - ACME -- WE EXPECT THAT CHINA WILL CONTINUE TO PARTICIPATE AS BEFITS ITS POSITION AS A LEADING ARMS EXPORTER AND PERMANENT MEMBER OF THE U.N. SECURITY COUNCIL.
- -- THE PLANNED F-16 SALE CANNOT BE COMPARED TO THE SORT OF MASSIVE, DESTABILIZING TRANSFERS WHICH THE PRESIDENT'S ACME INITIATIVE SEEKS TO END.

EAP/P

76977 SEJAL 221 Drafted: PM: JALewis Cleared: PM: RLGallucci

PM: RMantel T: FWisner T: TBuckley

PM Press Guidance September 3, 1992

ARMS SALES

- Q: Doesn't the decision to sell F-16s to Taiwan (or the likely decision to sell F-15s to Saudi Arabia) undercut the President's big push to control arms proliferation?
- A -- THE UNITED STATES HAS BEEN A DRIVING FORCE IN
 ADVANCING NON-PROLIFERATION. WE HAVE MADE MAJOR
 STRIDES IN THE MISSILE TECHNOLOGY CONTROL REGIME,
 THE AUSTRALIA GROUP AND THE NUCLEAR SUPPLIERS
 GROUP TO HALT THE SPREAD OF WEAPONS OF MASS
 DESTRUCTION.
 - -- MOREOVER, WE ARE ACTIVELY INVOLVED, AT PRESIDENT BUSH'S INITIATIVE, IN DISCUSSIONS WITH CHINA, FRANCE, RUSSIA, AND THE UNITED KINGDOM TO RESTRAIN CONVENTIONAL ARMS TRANSFERS. OUR DISCUSSIONS HAVE RESULTED IN AGREEMENT TO OBSERVE COMMON ARMS TRANSFERS GUIDELINES.
 - -- WE SEEK TO END DESTABILIZING SALES AND BRING
 TRANSPARENCY TO THE ARMS TRANSFER PROCESS, NOT
 TO RULE OUT ALL ARMS SALES.
 - -- THE SALE OF F-16S TO TAIWAN IS FULLY CONSISTENT
 WITH THESE OBJECTIVES AND THE AGREED GUIDELINES.

- WE WILL CONTINUE TO MAKE ARMS SALES WHEN THEY ARE CONSISTENT WITH U.S. FOREIGN POLICY AND NATIONAL SECURITY OBJECTIVES, MEET LEGITIMATE DEFENSE NEEDS, AND PROMOTE REGIONAL STABILITY. 76977 SEJAL 221

Drafted: PM: JALewis Cleared: PM: RLGallucci

PM: RMantel T: FWisner T: TBuckley EAP/CM: CHart White House Staff and Office Files - Virginia Lampley Files (NSC) Folder Title - Taiwan

Re: F-16's for Taiwan

Re: Presidential delegation to Taiwan

NATIONAL SECURITY COUNCIL

August 19, 1992

TO: GINNY LAMPLEY

FROM. DOUG PAAL

FYI.

Attachment

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01a. Memo	From Doug Paal to Brent Scowcroft RE: F-16's for Taiwan (1 pp.)	08/18/92	P-1, F-1, P-5	S
-				
National Se	dential Records ecurity Council ampley Files		,	
FILE LOCATIO Taiwan		OA/ID Num Date Closed	ber CF01363 05/25/1999	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

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F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01b. Summary memo	From CIA to State RE: Arms Sales to Taiwan (1 pp.)	08/14/92	P-1, F-1, P-5	S
-				
COLLECTION				
Bush Presi National S	dential Records ecurity Council ampley Files		,	
FILE LOCATIO Taiwan	N	OA/ID Num	ber CF01363	
		Date Closed	05/25/1999	5.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01c. Paper with appendix	From CIA RE: F-16's for Taiwan (6 pp.)	08/14/92	P-1, F-1, P-5	S
National S	dential Records ecurity Council ampley Files		,	
FILE LOCATIO Taiwan	N	OA/ID Num Date Closed	ber CF01363 05/25/1999	100

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. E-mail	From Doug Paal to Virginia Lampley RE: [Presidential Delegation to] Taiwan (1 pp.)	03/22/90	P-5	
				,
National S	dential Records ecurity Council ampley Files		*	
FILE LOCATIO Taiwan		OA/ID Num Date Closed	ber CF01363 05/25/1999	1

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White House Staff and Office Files - Deborah Lehr Files (NSC)

Folder Title - GATT Working File: Taiwan [1]

Re: Taiwan and the GATT Re: Taiwan and the GATT

Re: Talking points for Taiwan GATT meeting

Taiwan Memorandum of Foreign Trade Regime - 4 February 1992

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. E-mail memo	From "Ragle" to Doug Paal RE: Taiwan and GATT [SENT FOR AGENCY REFERRAL] (2 pp.)	11/10/92	P-1, F-1	S
COLLEGE				
COLLECTION Bush President	dential Records		,	
	ecurity Council			
FILE LOCATION	N			

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Date Closed

OA/ID Number CF01735

06/16/1999

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
02. E-mail memo	From White House Situation Room to Doug Paal RE: Taiwan and GATT [SENT FOR AGENCY REFERRAL] (2 pp.)	11/05/92	P-1, F-1	С
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	dential Records ecurity Council ehr Files		*	
FILE LOCATION GATT Wo	N rking File: Taiwan [1]	OA/ID Num	ber CF01735	3

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B (

'92 001 -3 PZ:44

088683 MESSAGE NO. CLASSIFICATION . No. Pages 🗷 FROM: . 40fficer name) (Office symbol) (Extension) (Room number) MESSAGE DESCRIPTION. TO: (Agency) DELIVER TO: CLEARANCE . INFORMATION FOR: PER REQUEST COMMENT REMARKS: UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
04. Talking points with cover sheet	From Heather Tranman (State) to Deborah Lehr (NSC) and Cecilia Klein (USTR) RE: Taiwan [SENT FOR AGENCY REFERRAL] (3 pp.)	10/03/92	P-1, F-1	С
	dential Records ecurity Council ehr Files		,	
FILE LOCATION GATT Wo	N rking File: Taiwan [1]	OA/ID Num	ber CF01735	Į.

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TAIPEI TRADE OFFICE

駐蘇黎世台北貿易辦事處

Sihlquai 306, 8005 Zurich, Switzerland

Tel: 01/271 76 20

Fax: 01/271 76 79

H.E. Mr. Rufus H. Yerxa Ambassador Deputy United States Trad Representative in Geneva Avenue de la paix 1-3

1202 Geneva

Zurich, 4 February 1992

Mr. Ambassador,

I have the honour to inform you that on 17 January 1992, my government transmitted a letter together with our updated Memorandum of Foreign Trade Regime to the Director General of the GATT to reaffirm our intention to accede to the GATT as a contracting party in accordance with Article XXXIII of the GATT.

Under the instruction of my government, I have the pleasure to send you herewith a copy of the same for your reference and shall be at your disposal for any further information you may require on this subject.

I avail myself of this opportunity to assure you, Mr. Ambassador, of my highest consideration.

Steve R. L. Chen

Director

MINISTRY OF ECONOMIC AFFAIRS

VINCENT C. SIEW MINISTER TEL. (02) 321-9273 FAX: (02) 3919398

H. E. Arthur Dunkel Director General General Agreement on Tariffs and Trade Center William Rappard Rue de Lausanne 154 Ch-1211 Geneva 21 Switzerland January 17, 1992

Dear Mr. Director General,

I have the honour to refer to the letter of my predecessor, Dr. L. A. Chen, of 1st January 1990, applying for accession to the General Agreement on Tariffs and Trade on behalf of the Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

My government reaffirms its willingness to pursue the free and open trade policies advocated by GATT and to support and strengthen the open multilateral trading system. This commitment has been further implemented through the increasingly liberal formulation of our domestic trade policy and more specifically through trade measures taken since 1st January 1990. We have not only observed the standstill commitment of the Punta del Este Ministerial Declaration, but have also initiated significant additional trade liberalization as shown in the attached updated version of our Memorandum on Foreign Trade Regime submitted to you on 1st January, 1990.

In view of the growing consensus among contracting parties that a working party be established to consider our application for accession to the GATT, I respectfully request that you circulate this letter along with the updated version of the Memorandum on Foreign Trade Regime to all contracting parties for their information on our continued economic liberalization and to permit the initiation of the normal accession procedures as soon as possible.

Sincerely yours,

Vincent C. Siew

Vincate. Sien

Encl.

MEMORANDUM ON FOREIGN TRADE REGIME OF

THE CUSTOMS TERRITORY OF

TAIWAN, PENGHU, KINMEN AND MATSU

Taipei

January 17, 1992

Updated Version

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MEMORANDUM ON FOREIGN TRADE REGIME OF THE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

Introduction

The Customs Territory of Taiwan, Penghu, Kinmen and Matsu (hereinafter referred to as "the Territory") has effectively exercised full autonomy in the formulation and implementation of its economic, financial and trade policies. Its government, acting on behalf of this separate customs territory encompassing islands of Taiwan, Penghu, Kinmen and Matsu, is fully autonomous in the conduct of its external commercial relations.

For decades, the Territory has been extremely successful in promoting trade and commercial transactions with nearly all nations of the world, regardless of differences in social, economic or political structures. It plays a significant role in international trade. In 1990, it ranked as the world's 15th largest trading power, with industrial products accounting for 95.6 percent of its total exports. It also enjoys a very strong balance of payments position, and has accumulated U.S.\$ 75.6 billion (as of February 1991) in foreign exchange reserves. Per capita GNP stood at U.S.\$ 7,997 in 1990, similar to the level of several OECD countries. It is anticipated that the figure will reach U.S.\$ 20,000 by the turn of this century.

The Territory's successful economic development has been based on market oriented policies, which have introduced competitive practices into its free enterprise system. Considering the limitations of its domestic resources and internal demand, the Territory has relied heavily on the open multilateral trading system.

Unfortunately, the serious trade imbalances that have occurred in the 1980s and the external debt crisis of many Third World countries have contributed to a resurgence of protectionism. This protectionism threatens to severely damage the international financial and trading system, and to contribute to a global recession and socio-political destabilization.

The Territory has benefited greatly from the efforts of the GATT Contracting Parties to liberalize trade in goods and services. It desires to assume its own responsibilities within the system to maintain and defend an open, cooperative international economic system.

The Territory has already undertaken many actions that have reduced its tariffs to the Tokyo Round levels, loosened controls on foreign exchange, strengthened protection of intellectual property rights and liberalized trade in services. In general, the Territory has extended bilateral trade concessions to its trading partners on a reciprocal basis, and by applying the most-favored-nation principle.

The Territory has also set up an "International Economic Cooperation Development Fund" of approximately U.S.\$ 1.2 billion to provide assistance to developing countries.

These considerations have led the Territory to request its accession in accordance with Article XXXIII of GATT as a separate customs territory with full autonomy in the conduct of its external commercial relations. This decision reflects the determination of the Territory to cooperate with other trading nations in GATT to defend an open trading system based on competition among free enterprises on the world markets.

The Territory intends to assume all obligations and rights under the GATT as a contracting party. In addition, the Territory would consider adhering to the agreements and arrangements resulting from the Tokyo Round.

On this basis, the Territory hopes that the Contracting Parties will not only recognize its attempts to play a more active role in the international economic community but will also encourage and support its participation in a strong and comprehensive multilateral trading system.

I. ECONOMY AND FOREIGN TRADE

ECONOMY

(1) Brief Introduction to the Territory and its Economy

The Customs Territory of Taiwan, Penghu, Kinmen and Matsu encompasses the islands of Taiwan, Penghu and the islands of Kinmen and Matsu off Fukien. It is separated from mainland China by the Taiwan Straits.

The Territory constitutes a separate customs territory with full autonomy in the conduct of its external commercial relations.

The Territory has a small land area with a dense population: on a land of 36,000 square kilometers lives a population of 20 million (1990 statistics). With a population density of over 560 people per square kilometer, the Territory is one of the world's most densely populated areas (second only to Bangladesh).

Situated in a subtropical area, the Territory is suitable for growing a wide variety of plants; however, the Territory is mountainous, with arable land accounting for only a quarter of its total land area. It is thus naturally restricted in agricultural development. Also, the Territory is short of natural resources: no mineral ores are in rich reserve.

The only abundant resource is manpower, and this valuable resource enabled the Territory to grow strongly between the 1950s and the 1970s, when the Territory's real economic growth rate averaged 9.1 percent a year (see table 1, page 58). Real growth peaked at 12.6 and 11.9 percent respectively in 1986 and 1987, and since then has slowed to 7.3 percent in 1989 and 5.3 percent in 1990.

As a result of strong economic growth during the past four decades, the Territory has developed from a traditional agricultural economy into a newly industrialized economy. Its GNP has grown from U.S.\$ 1.2 billion in 1951 to U.S.\$

161.7 billion in 1990. Its per capita GNP has increased from U.S.\$ 145 in 1951 to U.S.\$ 7,997 in 1990 (see table 2, page 59), ranking the Territory 25th in the world.

Wholesale prices in the Territory have been quite stable in recent years (see table 3, page 60). Consumer prices decreased by 0.2 percent in 1985, grew 0.7 percent in 1986, and 0.5 percent in 1987. Owing to the surging trade surplus and money supply, consumer prices rose 4.4 percent in 1989, and 4.1 percent in 1990.

The Territory's strong growth has been accompanied by low levels of unemployment (see table 4, page 61). Even in the 1970s, during the two oil crises, the average annual unemployment rate was only 1.66 percent. In 1990, it stood at 1.67 percent, and is expected to remain low over the coming few years.

A major goal of the Territory's economic development strategy has always been an equitable distribution of wealth. From 1964 to 1980, the distribution of income became more equitable. The top 20 percent of the household income bracket earned 5.3 times as much as those in the lowest 20 percent in 1964; 16 years later, in 1980, the gap had shrunk to 4.2 times. But the recent trend shows a sign of widening wealth gap. It hit the five-times mark in 1990 for the first time since 1968 to reach 5.2 times. (see table 5, page 62).

The Territory is also a major trading entity. Its merchandise trade exports in 1990 ranked 12th in the world, and imports, 16th, with combined exports and imports ranking 15th. The Territory is also a leader in trade in commercial services. In 1989, the Territory had an import expenditure of U.S.\$ 14.0 billion and export receipt of U.S.\$ 7.5 billion in trade in services, making the Territory the 21st exporter and 11th importer in the ranking of world trade in services. The Territory has accumulated foreign exchange reserves of 75.6 billion U.S. dollars (As of February 1991), largest in the world.

(2) Economic Development Strategies

Economic planning was introduced with the launching of the Territory's first four-year plan in 1953. Until 1960, heavy emphasis was placed on agriculture. A land reform program was carried out and efforts were made to raise agricultural

productivity and exports, as well as rural living standards. At the same time, labor-intensive, import-substituting industries were developed to help conserve foreign exchange and provide additional job opportunities.

At the turn of the 60s, the Statute for the Encouragement of Investment was enacted to attract foreign as well as domestic capital to key industries. Export-oriented industries, designed to take advantage of low-cost labor, began to move gradually into world markets. In the agricultural sector, new farm products were developed, and the export of such products was vigorously promoted. In the 70s, the economy entered a new stage of development, with government policies calling for a gradual shift to basic and heavy industries. As part of a backward integration process, intermediate goods industries were established. Steps were taken to alleviate bottlenecks in transportation, and large sums were spent on the building of new ports, airports, and highways. However, the agricultural sector continued to receive attention, as the government moved to intensify rural development and improve farm income.

In the 80s, efforts for industrial restructuring were pushed forward. In the meantime, to provide the highly trained manpower needed for this restructuring, educational institutions placed even greater emphasis on science and technology.

In the 90s, these efforts as well as economic liberalization and internationalization will be continued. Infrastructural investments, pollution controls, and privatization of public enterprises will be accelerated.

(3) The Current Economic Situation

a. General Situation

The Territory's economy has grown in a decelerating pace over the past four years. From a high real growth rate of 11.9 percent in 1987, declined to 7.3 percent in 1989 and further reduced to 5.3 percent in 1990, mainly due to the New Taiwan dollar's appreciation which led to sluggish export growth. In 1988, consumer prices grew only 1.3 percent; but rose in 1989 and 1990 to 4.4 percent and 4.1 percent, respectively. Unemployment rate reached 1.7 percent in 1988, 1.6 percent in 1989 and 1.7 percent in 1990.

The New Taiwan dollar has appreciated as much as 57.2 percent against the U.S. dollar from 40.47 N.T. dollars per U.S. dollar in September 1985 to 25.75 N.T. dollars per U.S. dollar in December 1991 (see table 6, page 63). The appreciation rate is lower than that of the Japanese yen, but higher than that of the currencies of Korea, Hong Kong, Singapore and major West European countries. This has had a significant impact on the export competitiveness of the Territory's products and has contributed to the reduction of the Territory's trade surplus.

As the Territory continued to face surpluses in its external trade, its net foreign assets increased dramatically and the money supply grew considerably. Money supply (M1B) recorded growth rates of 51.4 percent and 37.8 percent in 1986 and 1987, respectively. The growth rate declined in 1988 but still reached 24.4 percent. However, it declined significantly to minus 6.7 percent in 1990 because of the introduction of tight monetary policy (see table 7, page 64).

b. Structural Adjustment

The Territory's economy continues the process of structural adjustment, reacting to a changing domestic environment as well as changes in its international competitiveness.

The importance of agriculture to the Territory's economy has declined, while that of industries and services has increased. Agricultural products accounted for 23.9 percent of the Net Domestic Product in 1967, but only 4.9 percent in 1990. (see table 8, page 65). Meanwhile, industrial output, which accounted for 30.8 percent of the Net Domestic Product in 1967, rose to 47.1 percent in 1987, then dropped to 41.5 percent in 1990. The service sector, which accounted for 45.3 percent of Net Domestic Product in 1967, rose to 46.7 percent in 1987. As the Territory adopted a policy to encourage the service sector, its contribution to Net Domestic Product rose to 53.6 percent in 1990, making services the fastest growing sector among the three major sectors of the economy and replacing the manufacturing industry as the major source of economic growth. The manufacturing sector continues to contribute to economic growth, and agriculture is progressively less significant.

Employment has also shifted from agricultural sector to industrial and service sectors. Agricultural employment represented 42.5 percent of the total labor force in 1967, but only 12.8 percent in 1990. The manpower released from the agricultural sector has mostly joined the manufacturing and the service industries. The number of people working in the industrial sector accounted for 24.6 percent of the total workforce in 1967; the proportion rose to 40.9 percent in 1990. In the meantime the service sector, which drew 32.9 percent of the total manpower in 1967 and 46.3 percent in 1990, has become the major employer (see table 9, page 66).

Net external demand (exports minus imports) has been a major factor in the Territory's economic development. Its net external demand had grown from 4.3 percent of GNP in 1977 to 21.7 percent in 1986. However, due to structural changes over the years, beginning in 1987, this percentage declined to 19.1 percent in 1987, 13.2 percent in 1988, 9.9 percent in 1989 and 8.3 percent in 1990. The contribution of this demand to economic growth has dropped to 0.10 percentage in 1987, minus 3.91 percentage in 1988, minus 1.77 percentage in 1989 and minus 0.94 percentage in 1990.

On the other hand, domestic demand-both in terms of national consumption as well as in terms of fixed investment --has grown annually. Domestic demand contributed much to economic growth in 1988 and 1989 (more than the real economic growth rate), becoming the driving force behind economic growth. For example, economic growth in 1990 was carried out essentially by expanding domestic demand. The contribution of domestic demand to economic growth was 6.2 percentage, compensating the adverse effect of negative growth of net external demand.

c. The Recent Budget Deficits

Although it was the Territory's established policy to balance its budget, the Territory experienced sustained budget deficits before 1969. Between 1969 and 1988, however, the Territory recorded surpluses in its fiscal budgets. But, since 1981 a new fiscal policy aimed at strengthening domestic demand through deficit spending led in fiscal year 1989 (from July 1988 to June 1989) to a record-high budget deficit of N.T.\$ 306.8 billion (around U.S.\$ 11.1 billion), or 33.5 percent of the total revenue. In fiscal year 1990, the budget was just balanced. For fiscal year 1991, the deficit is expected to be N.T.\$ 139.6 billion (around U.S.\$ 5.1 billion), or 13.8 percent of the total revenue, in a further attempt to expand domestic

demand. The deficits will be financed by appropriation of surplus of previous fiscal years, government bonds, and other loans for economic development projects.

EXTERNAL TRADE

External Trade Balance

With a small land area, high population density and scarcity of natural resources, the Territory depends on trade for sustained economic growth. In 1952, the Territory's total external trade (exports plus imports) measured only US\$ 303 million. It grew at an annual average rate of 17.1 percent to U.S.\$ 121.9 billion in 1990, 401 times over a period of 38 years (see table 10, page 67). The average export growth rate was 18.2 percent and import growth rate 16.1 percent. External trade has played a pivotal role in the Territory's economic development since it adopted an export-oriented strategy in 1958. This brought about an external trade growth exceeding economic growth and also deepened the Territory's dependency on trade. For example, in 1952, exports accounted for 8.0 percent of the GNP; in 1990, the percentage had jumped to 46.5 percent. During the same period, import dependency also rose from 14.1 percent to 40.7 percent. The aggregate export-import dependency thus rose from 22.2 percent to 87.2 percent over the 38-year period, making the Territory one of the territories or areas with the highest trade dependency. This booming trade improved the Territory's economic structure, increased its foreign exchange income, accelerated its economic growth, and enlarged job opportunities (see table 11, page 68).

Between 1952 and 1970, the Territory consistently recorded trade deficits (except in 1964 when world sugar prices were so high that they brought the Territory a trade surplus). Beginning in 1971, however, the trade imbalance began to reverse itself. In the years since then, the Territory has registered consecutive trade surpluses (except in 1974-75 when increases in oil prices burdened the Territory's economy so much that it suffered short-term deficits). Between 1982 and 1987, the Territory scored six consecutive record high trade surpluses, with the 1987 surplus of U.S.\$ 18.7 billion being equivalent to 18.1 percent of the GNP. In 1990, the surplus dropped to U.S.\$ 12.5 billion, accounting for 7.7 percent of the GNP. The ever-expanding trade surpluses in recent years have become a major worry for the Territory's economic policymakers, who are now seeking to reduce external trade earnings to a more appropriate scale.

The high trade surplus is mirrored by the Territory's high propensity for savings (in 1987 gross savings accounted for 38.5 percent of GNP and the 1990 figure was 29.7 percent) and inadequate investments (in 1987 domestic investments were only 20.1 percent of GNP, and in 1990, 21.6 percent). Domestic production (supply) thus exceeded the internal demand, deepening the Territory's dependency on exports to absorb excess production.

To speed structural adjustment of its economy and facilitate the integration of its economy into the multilateral system, the Territory has adopted an open trade policy. The Territory lowered import tariffs, loosened or lifted controls and restraints on imports, and substantially appreciated the N.T. dollar against the U.S. dollar. Its efforts to balance its external trade are beginning to bear fruit: imports are growing more rapidly than exports. In 1988, the Territory's exports increased 13.0 percent from the previous year, compared to import growth of 42.0 percent. The trade surplus declined substantially from U.S.\$ 18.7 billion in 1987 to U.S.\$ 10.9 billion in 1988. However, the 9.3 percent growth of exports and 5.2 percent increase of imports in 1989 widened the trade surplus again to U.S.\$ 14.0 billion, in 1990, however, the slower growth rate for exports (1.5 percent) than for imports (4.7 percent) shrank trade surplus again to U.S.\$ 12.5 billion.

(2) Structure of Trade in Goods

The Territory's production structure has been determined essentially by export demand, a typical result for an export-oriented development process. As a result, the growth of most industries was affected more by the economic conditions of other countries than by the state of the domestic economy.

In the 1950s, when the Territory initiated its importsubstitution strategy, exports were mainly composed of
sugar, rice, banana, tea and processed agricultural
products. Few industrial products were sufficiently competitive for export. By the late 1950s, the import-substitution
industries were capable of producing competitive export
products. As a result, the share of exports of traditional
items declined drastically while industrial products took an
increasingly greater share of exports. At first, major export items were such labor-intensive products as textiles
and plywood. Recently, electronic goods have grown to become

major export items. In 1952, agricultural products and processed agricultural products accounted for 91.9 percent of total exports, of which rice and sugar alone represented 74 percent, and industrial products accounted for only 8.1 percent of total exports. By 1990, the export composition structure has reversed so that industrial goods accounted for 95.6 percent of total exports, while agricultural products and processed agricultural products accounted for only 4.4 percent (see table 12, page 69). Major export items were machinery and electrical equipment (34.4 percent), textile products (15.3 percent), basic metals and articles thereof, and plastic goods.

In contrast, the structure of the Territory's imports did not change much over this period. A major reason is that the Territory, islands with scarce natural resources, has always had to import large quantities of agricultural and industrial raw materials. In 1952, such imports accounted for 65.9 percent of the total; in 1990, the percentage was 70.4 percent (see table 13, page 70). Changes in the import composition occurred for capital goods and consumer goods. In 1952, when the local industrial base was still weak, there was a heavy dependence on imports of basic consumer goods (mostly light industry products); therefore, consumer goods accounted for 19.9 percent of total imports. Later, as import-substitution industries developed, locally produced consumer goods gradually replaced imports. Accordingly, the share of consumer goods in total imports declined -- in 1969, it plunged to a low of 4.5 percent. However, ing this, increasing per capita income, lowered import duties, and loosened import controls have contributed to a growing demand for foreign consumer goods, whose share rose to 12.1 percent of total imports in 1990.

Imports of capital goods accounted for 14.2 percent of the total imports in 1952. It rose to 34.7 percent in 1969, and then reduced to 23.4 percent in 1980 and to 13.6 percent in 1986, reflecting partly a declining willingness to invest in the Territory. The decline also reflected the fact that the Territory had developed domestic capital equipment industries capable of supplying domestic demand and that the need to import these items had declined. Since 1985, the import share of capital equipment gradually increased again, to a level of 17.5 percent in 1990.

Major import items in 1952 included textile goods, agricultural products and chemical fertilizers. By 1990, these had been replaced by machinery and electrical equipment (28.4 percent), minerals (17.4 percent), chemicals, and basic metals.

(3) Trade by Geographic Areas

The geographic composition of the Territory's trade has changed along with the product composition. The most important change has been the decline in Japan's share of the Territory's exports from 52.6 percent in 1952 to only 9.9 percent in 1983. However in 1990, the percentage rose to 12.4 percent. On the other hand, the U.S. share of the Territory's exports rose from 3.5 percent in 1952 to 48.8 percent in 1984. Since 1984 the U.S. share began to decline annually. In 1990, the share was down to 32.4 percent. Together, the U.S. and Japan have consistently accounted for more than 50 percent of the Territory's imports.

In 1990, other major export markets of the Territory were the EC, Hong Kong, Singapore, Canada, Thailand, and Australia while its major sources of imports included (besides the U.S. and Japan) the EC, Hong Kong, Australia and Saudi Arabia (see tables 14-15, pages 71-72).

A major weakness of the Territory's external trade picture is its over-reliance on a few major trading partners, which makes the Territory vulnerable to economic and political conditions in those countries. An urgent task facing the Territory's policymakers is to diversify export markets and import sources.

Since 1968, the Territory has enjoyed a surplus in trade with the U.S. The surplus totaled U.S.\$ 1 billion in 1976, and climbed to U.S.\$ 16.0 billion in 1987, making the Territory the second largest contributor to the U.S. trade deficit, after Japan. In 1990, the Territory's exports to the U.S. decreased by 9.4 percent while imports increased by 5.1 percent, reducing trade surplus to U.S.\$ 9.1 billion. Despite this significant decline, the trade imbalance remains substantial.

Most of the Territory's trade surplus with the U.S. in the early 1980s can be attributed to long-term structural factors, while only a small part can be attributed to the excessive value of the U.S. dollar and other factors. However, after the joint intervention by the five major industrialized countries in the foreign exchange markets in 1985, the New Taiwan dollar has appreciated 49.3 percent against the U.S. dollar as of December 1990. Despite such appreciation,

the Territory's trade surplus with the United States still persists. This means the exchange rate is not the sole factor for the Territory's trade surplus with the U.S.

In contrast to the surplus it has enjoyed in trading with the U.S., the Territory has suffered trade deficits with Japan. In 1987, the deficit amounted to U.S.\$ 4.9 billion. In 1988, the figure rose to U.S.\$ 6.1 billion; in 1989, U.S.\$ 7.0 billion, and in 1990, reached a record-high U.S.\$ 7.7 billion. How to rectify this problem--chronic trade surplus with the U.S. and deficit with Japan--is a major challenge for the Territory.

DIRECTION OF FUTURE ECONOMIC POLICY

The Territory has formulated a Six-Year National Development Plan commencing in 1991 as guidance for future development to achieve four specific policy objectives: to raise national income, to provide sufficient resources for continuous industrial growth, to balance regional developments, and to improve the quality of life.

To these ends, the Territory will:

- (1) expand public investment, especially in the development of industrial zones and housing. Fixed government investment will grow at an average annual rate of 15.5 percent in real terms. The expansion of public investment will expand domestic demand and, at a later stage, enhance overall productivity. As a result, the economy is expected to grow 7.0 percent annualy between 1991 and 1996, and per capita GNP to rise from U.S.\$ 7,997 in 1990 to U.S.\$ 13,975 in 1996.
- (2) carefully monitor the distribution of productive resources such as land, water, energy and transportation facilities in order to provide sufficient resources for sustained industrial growth. The Plan envisions the emergence of the Territory, at the time when the Plan is fully accomplished, as a financial center, a regional transportation hub, and a leader of the production of high technology in the Western Pacific.

- (3) make efforts to alleviate population congestion and to diversify the industrial sites. Thus the top priority is given to improving public housing, schools, medical and transportation facilities.
- (4) divide Taiwan area, for the purpose of improving the quality of life, into eighteen living perimeters, in which living accommodations, recreational, educational, medical and business facilities will be self-sufficient. In addition, the government will launch national health insurance programs in 1994 providing insurance to everyone. Environmental legislations will also be amended and administration strengthened to ensure higher environmental quality and effective ecological preservation.

The Six-Year National Development Plan calls for huge investment in major infrastructure projects. The government will invest around U.S.\$ 300 billion in a variety of projects, including a rapid transit system, an expressway, airport extension, environmental protection, water resources, energy development, urban development, culture and education. It is hoped that completion of the Plan will speed up the Territory's entry into the ranks of the fully developed countries and that the attainment of the Plan's goals and targets will lead not only to a more prosperous economy, but also to higher environmental quality and greater social equity.

II. THE FOREIGN TRADE REGIME

THE TARIFF SYSTEM

(1) The Evolution of the Customs Tariff up to 1990

The Territory's tariff policy and the tariff rates were established with a view to securing sound development of domestic industries and to coping with changes in the world trading system.

Since September 1, 1980, the Territory has been implementing a "two tier tariff system". The second column on the tariff schedule is the tariff rate for goods subject to the "reciprocal rate", which is lower than the first column. Currently in addition to countries or areas with reciprocal agreements with the Territory, any country or area that does not extend discriminatory treatment to the Territory's goods also qualifies for the second column tariff rates. At present, 140 countries or areas qualify for the second column rates, their goods accounting for over 90 percent of the total value of imports. The first column on the tariff schedule is applicable to countries or areas not covered by the second column, the contracting parties falling within this category are: Myanmar, Cuba, Czechoslovakia, Gambia, Mauritania, Rumania, Sierra Leone, Tunisia, Uganda, and Zimbabwe. Upon accession, unconditional MFN treatment will be extended to all GATT contracting parties.

Between 1984 and 1988, the Territory revised its tariff schedule five times, resulting in an across-the-board lowering of tariff rates by 30 percent. In this process, 234 items were put on the list of duty-free imports, and 7,128 items had their tariff rates reduced, so that the effective average duty rate declined from 7.97 percent in 1984 to 5.77 percent in 1988. The recent tariff reduction, which took place in August 1989, further reduced tariff rates of 4,700 categories of products, covering 61 percent of imported products, including a 30 percent decrease on industrial equipment and 10 percent drop on agricultural products. The highest tariff rate was also cut from 75 percent in 1985 to 50 percent.

The average tariff rates for industrial products are now as follows: 0-2.5 percent for raw materials, 0-10 percent for semi-finished goods, and 5-15 percent for finished products. In 1990, the effective average duty rate was 5.40 percent.

The Territory's present tariff structure is very similar to or even lower than that of certain industrialized contracting parties (see table 16, page 73).

(2) Future Direction of Customs Tariff Rates

Previously when tariff reductions were carried out, emphasis was placed on industrial inputs, agricultural commodities and capital goods. The scope will now be expanded to cover general consumer goods and products for environmental protection, so that customs duties can more effectively play their roles in economic and social development, in environmental protection, and in enhancing consumers' welfare. In order to expedite economic liberalization, the Territory announced a "Four-year (1989-1992) Tariff Reduction Plan" in November 1988 to further reduce the customs duty. By 1992, the effective duty rate is expected to be reduced to 3.5 percent, the average of the industrialized members of OECD, and the average nominal duty rate will be reduced to 7 percent.

Upon its accession to GATT, the Territory will bind 94 percent of its tariff items at a maximum rate of 30 percent. The ceiling for the remaining 6 percent will not exceed 50 percent. The Territory will endeavor to enter into tariff negotiations with interested contracting parties to establish a tariff schedule of specific concessions which will correspond in coverage and scope to that of most industrialized countries.

THE CUSTOMS SYSTEM

Valuation

The Territory revised its Customs Law in July 1986 by following the procedures set out in the GATT "Agreement on Implementation of Article VII of the GATT". This regime is applicable to all imports. The Territory is therefore prepared to adhere, upon accession to GATT, to the Customs Valuation Code.

(2) Classification

On January 1, 1989, the Territory implemented the Harmonized System. The Territory's tariff is based on the 8-digit Harmonized System plus two additional digits for statistical subdivisions and one more digit for inspection purpose.

(3) Unfair Trade Laws

In 1984, the Territory enacted "The Implementing Regulation on the Imposition of Countervailing Duties & Anti-dumping Duties". These rules conform to the GATT "Anti-dumping Code" and the "Subsidies Code". Based on these rules, countervailing duties or anti-dumping duties can be levied on imported goods that are found to have received subsidies or have been dumped and which threaten domestic industries. The Territory will, upon accession to GATT, adhere to both the Anti-dumping Code and the Subsidies Code.

(4) Customs Procedures

The Territory will continue to simplify its customs operations to ensure that the customs procedures will not constitute non-tariff trade barriers. Although the Territory is not a member of the Customs Cooperation Council nor a signatory to the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials (1952), the Customs Convention on the Temporary Importation of Professional Equipment (1961), and the Customs Convention on the ATA Carnet for the Temporary Admission of Goods (1961), the Territory is planning to implement these conventions.

(5) Other Charges and Fees

(a) Harbor Construction Dues:

The Territory imposes harbor construction dues at 0.5 percent on the dutiable value of imports and exports.

(b) Special Customs Services:

If special customs services are required, a flat rate commensurate with the approximate cost of the services rendered is charged.

The Ministry of Finance has promulgated the "Rules Governing

the Collection of Handling Charges" to unify collections.

(6) Export Processing Zones

Export processing zones (EPZs) are established in order to encourage investments, and to expand the export of products and services. Therefore, all products imported by enterprises located in EPZs for their own use are exempted from customs duties.

The products of the manufacturing industry in the Territory's EPZs are normally for export. However, 50 percent of their annual productions are allowed for sale on the local market after the payment of customs duties. If the quantity to be sold locally are over 50 percent of annual productions, then they should be approved by the Export Processing Zone Investment Screening Board.

THE IMPORT LICENSING SYSTEM

(1) General Description

The Territory's import control measures originated from the 1950s, when these measures were introduced for balance-of-payments problems. Since 1983, the Territory has taken a series of steps to liberalize imports, including, among others, substantially reducing the number of goods subject to import bans or controls and expanding the list of products that can be freely imported. The Territory's present tariff, based on the Harmonized System, contains 9,053 items, of which 8,811 or 97.3 percent are permitted to be imported. Among them, 5,918 items, or 65.3 percent, can be imported without any permit, 699 items must apply for a permit from the Board of Foreign Trade (BOFT) and the other 2,194 items from a licensing unit authorized by BOFT (such as banks) (see table 17, page 74).

(2) Non-automatic Licensing

The Territory restricts the importation of some products on the grounds of national security, maintaining the public order, or preserving human, animal or plant health. Importation of some of these products is controlled. All of these require a prior import permit issued by the Board of Foreign Trade.

Presently, six industrial and 123 agricultural products are subject to import controls on the grounds of related policy and social consideration, i.e. these products can not normally be imported. They include animal offal, herring, mackerel, squid, liquid milk, wheat flour, waste of plastics, etc.

Another group of 4 industrial and 77 agricultural products is subject to discretionary licensing. They include rice, chicken meat, red beans, peanuts, potatoes, rubber accelerators, and some others.

The Territory also applies a certain number of area restrictions. 35 industrial and 19 agricultural goods presently fall under these provisions, i.e. they can only be imported from certain areas.

The Territory prohibits all direct imports from Mainland China.

(3) Automatic Licensing

The Territory imposes licensing requirements on the importation of certain products for administration or management purposes. Such permits are issued automatically within 24 hours after application to the responsible agencies. These agencies include the Board of Foreign Trade (BOFT), the Export Processing Zone Administration, the Science-based Industrial Park Administration and licensing banks.

(4) Permit Application Procedures

Importers seeking to import foreign goods subject to a prior licensing requirement must apply to the Board of Foreign Trade or other authorized agencies for a license. If the application meets the requirements of the "Guidelines for Screening Imported Goods" and the "Regulations Governing Import Applications" and other import regulations as contained in the "Customs Import Tariffs and Classification of Import & Export Commodities", these agencies will issue a permit within 24 hours of the application. An import permit is

valid for six months. If the shipment cannot be completed within that period of time, the importer can apply to the original licensing agencies for an extension. He can also apply for a new license.

(5) Future Directions

In the Trade Bill now in legislative process, the Territory plans to eliminate in principle all prior licensing requirements. Certain limited exceptions will however be maintained for reasons of national security, public order, cultural, educational, public health considerations and environmental protection. To this end, the Territory plans to adopt a "negative list" approach.

In designing its new import licensing system, the Territory will follow the examples of the current licensing systems of developed countries and take into account existing GATT rules.

Products not listed in the negative lists can be freely imported. The new system will give more transparency to the Territory's import administration system. Once the negative listing system is adopted, BOFT will review the lists every year for further liberalization. These steps are expected to speed up the Territory's import liberalization in line with the spirit of GATT. Upon its accession to GATT, the Territory will also consider adherence to the GATT Licensing Code.

THE EXPORT LICENSING SYSTEM

With the adoption of the Harmonized System, the previous 26,889 items were regrouped into about nine thousand items. Of the current total 9,011 items, 98.9 percent or 8,907 items may be exported.

In the past, most exports required export permits (E/Ps). However, with the policy of trade liberalization, more and more exportable goods do not need E/Ps. At this moment, only 2,707 items or 30.0 percent of all goods require export licenses for the following reasons:

(1) Implementation of quantitative restriction arrangements and voluntary restraint arrangements (VRA), voluntary export restrictions (VER) and orderly marketing arrangements (OMA):

Export permits are required for the export of textile and garment products to the U.S. (since 1962), Canada (since 1975), the European Communities (since 1975); of silk cloth to Japan (since 1980); of footwear to the European Communities (since July, 1990); of machine tools and steel to the U.S. (both since 1987).

- (2) National security, the security of supply of certain daily necessities and important industrial materials, including rice, salt, coal, and uranium.
- (3) Social and financial policies, including gold, gold ores and concentrates, and narcotics.
- (4) Protection of endangered species of wild fauna and flora, including grouper fry, Formosan land-locked salmon, and white-skin sugarcane.
- (5) Hygiene and health, including puffer fish, turtles, prawns, and pork.
- (6) Agricultural development, including bananas, seedless watermelons, onions, eels, and raw sugar.

There are also regulations concerning marking of brand and origin on export products with the purpose of protecting intellectual property rights and consumers' interests.

THE LABELING SYSTEM FOR IMPORTED PRODUCTS

(1) The Existing Laws and Regulations

The "Commodity Labeling Law" governs the labeling of all commodities. It is aimed at assuring accurate labeling, protecting producers' reputations, and safeguarding consumer interests.

(2) The Labeling of Mark of Origin

The "Commodity Labeling Law" does not impose a mark-oforigin requirement, it only sets out criteria for such labels. The choice to mark the origin is left to the producer.

(3) The General Rules on Labeling

In general, the "Commodity Labeling Law" is applicable, in conformity with the national treatment principle, to both locally produced and imported commodities.

To prevent deceptive practices and to protect consumers against fraudulent or misleading indications, the Territory requires a mark of origin for importation of certain textile and garment products.

6. STANDARDS, INSPECTION AND QUARANTINE

(1) Standards and Inspection

Standards are written and published in the name of Chinese National Standards (CNS) by the National Bureau of Standards (NBS) of the Ministry of Economic Affairs. Most of the standards are similar to or in conformity with international standards such as ISO and IEC. There are, however, some deviations due to different customs.

The Bureau of Commodity Inspection and Quarantine (BCIQ) was established by the Ministry of Economic Affairs to carry out necessary commodity inspection measures according to the Commodity Inspection Law. The purpose of this inspection is to promote the quality of commodities, to safeguard safety of products and to protect consumer interests. The methods of commodity inspection are similar to those which are presently exercised by international practices. There are national laboratory accreditation arrangement, product certification scheme and quality assurance system, all of which are in conformity with latest international practices related to ISO/IEC guides.

The Territory is, therefore, undertaking its standards, testing, inspection and quality assurance scheme in accordance with latest relevant international guides and practices. It will consider to adhere to "The Agreement on Technical Barriers to Trade" (Standard Code) upon its accession to the GATT.

(2) Quarantine

In principle, no animals, plants or by-products thereof may be exported or imported until it has been ascertained through quarantine or treatment that they are free from pests or diseases.

This principle is implemented on the basis of the following laws and regulations:

- (a) The Commodity Inspection Law and its Enforcement Rules.
- (b) Quarantine Requirements for the Importation of Animals and Animal Products.
- (c) Regulation for the Control of Infectious Domestic Animal Diseases and its Enforcement Rules.
- (d) Quarantine Restrictions on the Importation of Plants and Plant Products.

TRADE AGREEMENTS

The Territory has entered into bilateral trade agreements with many countries. The list of these agreements is attached herewith as Annex.

III. OTHER POLICIES AFFECTING FOREIGN TRADE

INDUSTRIAL POLICY

The chief goal of the Territory's industrial policy is to facilitate the promotion of industries upgrading, to increase the competitiveness of industrial products, to support the growth of the whole economy, and to raise the living standards of the people. During the 1940s, the focus was on rebuilding fundamental industries and during the 1950s on import-substitution consumer industries. In the 1960s, the Territory started the promotion of export-oriented industries and emphasis was on the coordinated development of up-stream parts and components. From the late 1970s, with the completion of the Ten Construction Projects covering steel, shipbuilding, petrochemical, electricity, and telecommunication industries, the Territory began to develop both capital- and technology-intensive industries. During the 1980s, the Territory began to focus on creating a more favorable environment for the development of high-technology and high-valueadded industries. This included setting up a science-based industrial park to afford local companies access to the latest R&D facilities in order to upgrade the quality and strengthen the competitiveness of the Territory's products in the world markets.

The Territory promulgated a "Statute for Upgrading Industries" on December 29, 1990 to encourage the establishment and development of high technology industries and venture capital investment enterprises and to provide industrial sectors with incentives on R&D, manpower training, improvement of product quality, employment of more productive production methods, and adoption of automation and energy-saving processes of production and pollution prevention.

AGRICULTURAL POLICY

The Territory is mountainous with limited agricultural resources. The cultivated land is about 900,000 hectares covering one quarter of the total land. Four million people still depend on agriculture for their living. Average farm size is small (1.03 hectares in 1990). Production costs have increased greatly in recent years due to wage increases. Therefore, most of the farm products produced in the Territory lost their competitiveness in both domestic and the world markets.

The farm family income (U.S.\$ 3,768 per capita family in 1990) has been lower than that of non-farmers (U.S.\$ 5,484) in the Territory (see table 18, page 75). This caused a continuous outflow of farm labor, particularly of young people, to non-agricultural sectors in the past two decades. As a consequence, the age structure of the Territory's agricultural labor force is unfavorable, with an average of about 50 years.

With continued increases in agricultural production costs, farm income further declined. Farmers were forced to diversify into non-farm activities. In 1990, only 35.2 percent of the total farm family income was derived from farming.

The Territory maintained a food self-sufficiency rate of over 100 percent until 1965. Since then, however, this rate has declined continuously. The self-sufficiency rate for grains (other than rice) has declined to less than 10 percent; for pulse, nuts and seeds to less than 20 percent, and for dairy products, to about 20 percent. The self-sufficiency rate for sugar remains above 100 percent, but has also shown a downward trend. Falling self-sufficiency in food has led to an increasing dependence on imports and vulnerability to changes on foreign agricultural markets.

As an equitable distribution of national income is a very important policy objective in the Territory, the first aim of its agricultural policy at present is to raise farm income. Sufficient supply of food for the population and the protection of the natural environment are the other two important agricultural policy objectives. In order to achieve those objectives, the Territory set up price support programs and introduced a certain number of border measures for a few products. However, according to a recent research done by the U.S. Department of Agriculture, the Territory's overall agricultural protection is low.

The Territory intends to adopt a more market-oriented agricultural policy, including a gradual opening of the market and lowering of the tariff rates. Recently the government approved an "Integrated Agricultural Adjustment Program." Under this program, the government will put more emphasis on the following measures in the future six years from July 1, 1991 to June 30, 1997:

(a) Upgrading agricultural technology in order to increase products' added value and competitiveness.

- (b) Enlarging farm size through the land-purchase fund by assisting full-time farmers to purchase farmland from part-time farmers at low interest rates. This program has been in effect since 1980.
- (c) Encouraging young farmers to increase farm productivity through a program to train young farmers to modernize agricultural techniques.
- (d) Avoiding the adoption of market-distorting measures and gradually phasing out price supports.

The Territory is prepared to support the negotiation objectives of the Uruguay Round in the field of agriculture and will favorably consider implementing its reforms.

MONETARY POLICY

The Central Bank is in charge of the monetary policy in the Territory. The ultimate goal of the monetary policy is to maintain the stability of the financial system, control inflation and promote economic development. The Central Bank has the authority to adjust various deposit reserve ratios and rediscount rates, to conduct open market operations, and to act as the lender of last resort.

Beginning in December 1988, the Central Bank adopted a tight monetary policy by implementing both general and selective credit control measures to tackle the problem of prolonged excess monetary growth, which stemmed from the continuous trade surplus and the huge influx of speculative capital from abroad.

In December 1988, the Central Bank raised deposit reserve ratios. In March 1989, the Central Bank imposed limitations on loans related to real estate and investment companies. In April 1989, the Central Bank raised rediscount rates, deposit reserve ratios, and ceilings of interest rates for both deposits and loans. Finally in May 1989, instead of fully redeeming maturing bills, the Central Bank reached an agreement with 13 major local banks requiring local banks to purchase one-year negotiable certificate of deposit of the Central Bank up to 80 percent of the maturing amount.

As a result of these measures, the annual growth rate of money supply (M1B) slowed dramatically from 26.6 percent in November 1988 to 8.5 percent in May 1989. The growth rate of bank loans and investment leveled off, and the consumer price level dropped gradually.

Because the trends of most financial indicators were within set targets, the Central Bank reviewed its monetary policy in June 1989 and relaxed housing loans for the first-time buyers and increased foreign exchange financial facilities for the importation of machinery and equipment.

The Territory will continue its efforts to liberalize banking interest rates so that the market mechanism can fully decide interest rates and thus help promote better use of money.

To rationalize the interest rate structure and to promote the normal operation of the "discount window", the Central Bank raised the rediscount rate by 2 percent - 2.25 percent in August 1989 (see table 19, page 76).

In the first half of 1990, in response to a tight money supply, the Central Bank conducted open market operations, accommodated N.T.\$ 40 billion to the 13 major local banks, permitted the redeposit of Cooperative Bank of Taiwan, and allowed the negotiable certificate of deposit held by the 13 banks to draw and redeem fully on their maturing date.

In the second half of 1990, to promote economic recovery, the Central Bank lowered the reserve requirement, appropriated N.T.\$ 15 billion postal savings redeposit and eased the regulation concerning selective credit control on financial institutions' real estate loans. Also to absorb the excess liquidity of the banking system resulting from overbought position of foreign exchange, the Central Bank accepted the redeposit from Bank of Taiwan, Bank of Communications, and others, and issued treasury bills and negotiable certificates of deposits.

FOREIGN EXCHANGE POLICY

Before July 1978, New Taiwan dollar was pegged to the U.S. dollar, because the United States was the Territory's most important trading partner and because most of the Territory's international transactions were denominated in U.S. dollars. Since the pegged exchange rate movements could not reflect developments in the

Territory's balance of payments, and the exchange rate fluctuations interfered with the pursuit of internal policy objectives, a floating rate system was introduced in February 1979. Up to March of 1989, the central rate of the U.S. dollar against N.T. dollar was established on the basis of the weighted average rate of inter-bank transactions in U.S. dollars on the previous business day.

As the weighted average rate of inter-bank transactions on the previous business day was unable to reflect market forces in time and with precision, the foreign exchange system in the Territory has been revised several times since early 1989. Beginning from the end of 1990, authorized foreign exchange banks have been permitted to set their own exchange rate for small foreign exchange transactions (less than U.S.\$ 10,000), which used to be fixed by a committee of banks. The market-based exchange rate system in the Terrirory has so far functioned pretty well and is, to a large extent, similar to those adopted by the leading nations of the world.

As for exchange controls, transactions relating to current account are totally free. The annual limit on non-trade related capital inflows or capital outflows is now set at U.S.\$ 3 million per entity, but if companies and individuals get permission for long-term investment or direct investment, they can purchase or sell whatever amount of foreign exchange approved by the Investment Commission of MOEA. The limit on capital flows has been relaxing with liberalization and internationalization of financial markets in the Territory.

To promote the development of the local foreign exchange funding market, a foreign currency call loan market was established in August 1989. The breadth of the market has been expanded in terms of eligible participants and tradable currencies. foreign exchange banks were permitted to participate at the establishment of the call loan market. Since August 1990, headquarters and affiliated institutions of foreign banks in the Territory, overseas branches of local banks, and all financial institutions in Singapore, New York, and London have been allowed to participate in the market. The tradable foreign currencies have been increased from only the U.S. dollar to all other 12 currencies listed on the foreign exchange market. Upon the linkage agreements between Taipei foreign currency call loan market and the internaitonal money brokers, the market has extended its services to the neighbouring centers such as Hong Kong and Singapore.

The Territory also allows banks to operate forward foreign exchange transactions to facilitate merchandise trade beginning on November 1, 1991.

The Territory is not a member of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), but would be ready to fully comply with the provisions of Article XV of the GATT.

FINANCIAL POLICY

The Ministry of Finance is vested with the responsibility to formulate and carry out the Territory's financial policy. The purposes of its financial policy are:

- To establish a sound money market, to adjust money supply and demand and to support the development of the agricultural industrial, and commercial sectors.
- -- To design, draft and review banking and financial laws and regulations and to supervise their enforcement.
- -- To establish a sound banking system so as to manage and supervise banks and special financial institutions.

The Territory provides market access for foreign financial institutions and is interested in participating in negotiations to achieve further progressive liberalization under the multilateral framework.

Money and Banking

The financial system consists of monetary institutions, deposit insurance institutions, other financial institutions and the financial market. Monetary institutions include commercial banks, specialized banks, local branches of foreign banks, credit cooperative associations, credit department of farmers' associations, and credit department of fishermen's associations. The Central Deposit Insurance Corporation is one example of deposit insurance institutions. Other financial institutions include investment and trust companies, small and medium credit guarantee funds, postal savings system and insurance companies. The financial market includes the money market and the capital market. The participants in the money market include bills

finance companies and monetary institutions and those in the capital market are securities finance companies and securities brokers.

In recent years, because the national income has increased, so as the willingness of the public to save, total deposits increased from N.T.\$ 729 billion at the end of 1978 to N.T.\$ 6,491 billion at the end of 1990. Total loans at the end of 1978 were N.T.\$ 694 billion and at the end of 1990, N.T.\$ 4,980 billion. Total loans have, since 1983, been less than total deposits, and over the years, this gap has widened. This indicates that both government and private sectors should co-operate to raise investment incentives, and to promote the use of credit so as to utilize economic resources more effectively.

The money market is the place where enterprises adjust their short-term capital needs. Promoting the money market is, therefore, a means of providing enterprises with another way to attract short-term capital. At present, there are three private bill finance corporations. The total amount of commercial paper underwritten by these finance companies came to N.T.\$ 34 billion in 1978 and N.T.\$ 1,712 billion in 1990. The total transaction amount of bills grew from N.T.\$ 128 billion to N.T.\$ 14,537 billion, for the same period.

To further liberalize its banking service, the Territory amended the Banking Law again in July 1989. The fluctuation limit on interest rates was lifted, new commercial banks were allowed to set up, and the business scope that banks are allowed to conduct could be broadened upon the consent of the Ministry of Finance. In 1990, the Territory also amended the Guideline for Screening and Approval of Establishment of Branches and Representative Offices by Foreign Banks, permitting local branches of foreign banks to engage in trust business and to accept savings deposits. The requirements for setting up new branches by foreign banks were also relaxed.

(2) Securities

The Securities and Exchange Commission (SEC) is the regulatory agency of the capital market which was established in September 1960. The Taiwan Stock Exchange was incorporated in 1961 and started operation in February 1962. When the Taiwan Stock Exchange was first established, there were only 18 companies listed with a total registered capi-

tal of U.S.\$ 135 million. By November 1991, the total market value of 220 listed companies on the Taiwan Stock Exchange has reached approximately U.S.\$ 111.5 billion.

With regard to the securities industry, as of November 1991, there were 348 securities brokerage firms, 62 securities underwriters, and 55 securities dealers registered with the SEC. Additionally, there are four securities investment trust companies and 84 securities investment consulting companies operating in the Territory.

As to the foreign participation in the local securities industry, in addition to 11 local securities firms that have foreign shareholders under joint venture arrangement, there are two foreign securities firms having been allowed to operate branch business in the Territory. Furthermore, the Securities and Exchange Commission has also allowed five renowned foreign securities firms to set up their representative offices in the Territory.

The securities financing system of the Territory was introduced in 1974. In line with the policy of liberalization, the SEC has permitted qualified securities firms, starting in October 1990, to offer securities financing service to their customers. As of November 1991, 22 securities firms have been allowed to engage in such business.

To further securities market development, the regulatory authority is currently undertaking efforts to the promotion of foreign institutional investment in the local market; the establishment of bonds market; and the facilitation of local enterprises to issue securities in overseas market. As securities markets around the world become more and more interdependent, and as the global securities trading system moves toward integration, the Territory will continue its efforts to internationalize its securities market.

(3) Insurance

The insurance sector has developed rapidly in the Territory. The government not only established "Civil Servants' Insurance" and "Labors' Insurance", but also "Farmers' Health Insurance" in October 1985. The total premium of property and casualty insurance increased from N.T.\$ 7.9 billion in 1979 to N.T.\$ 40.3 billion in 1990, an increase of 5.1

times. The total life insurance premium grew from N.T.\$ 9.7 billion to N.T.\$ 145.5 billion, at an increase of 15.0 times, over the same period.

To liberalize its insurance market, to safeguard the interests of the insured and to strengthen the supervision of the insurance industry, the Territory is drafting an amendment to its current Insurance Law. The amendment will set criteria for local and foreign insurance license seekers.

FISCAL POLICY

The goal of the Territory's fiscal policy has been to promote economic growth, full utilization of national resources and equitable distribution of wealth.

During the 1950s, the Government experienced financial difficulties and was forced to borrow from supranational institutions and other foreign banking groups. The Territory therefore adopted a balanced-budget policy. Government expenditure was set to equal projected revenue.

However, since fiscal year 1964, government revenue has steadily increased with the growing economy. As a result, the government budget has greatly expanded to meet the development needs of the economy. Since fiscal year 1971, the Government has been able to repay the loans required during 1950s when the budgets were in deficit.

In recent years, the Territory has carried out a series of measures, including many public development projects, in an efford to stimulate private investment and to expand domestic demand. Such measures will lead to an increase of imports and a reduction of its trade surplus. Most of those development projects will be financed by issuing government bonds, and thus absorb excess liquidity in the market place.

In the future, the government budget will be set more closely by the Government's growing policy needs rather than budget balancing and will work for the Territory's future economic stability and national development. The Territory's taxation system is composed of many, rather than a single, tax regulations. Taxes are classified into national taxes and local taxes (provincial, county or city taxes). The income tax includes an individual income tax which is collected under five progressive rates with 6 percent as the minimum, and a business income tax whose rates are 0, 15, and 25 percent. Business taxes are divided into a value-added tax and a gross business receipt tax. Except for small traders, financial institutions and night clubs, which pay their business taxes in accordance with their gross revenue, all other businesses are required to pay a 5-percent value-added business tax.

The main objective of the Territory's tax policy is to strengthen direct tax collection (especially the income tax), to improve the tax system, to broaden the tax base, and to adjust the tax burden.

Foreign residents and foreign company branches in the Territory are granted national treatment in terms of tax rates and tax payments.

FOREIGN INVESTMENT POLICY

. . . .

The Territory has adopted a liberal and open policy towards direct foreign investments in the Territory.

Necessary regulations have been enacted and measures taken to encourage direct foreign investment.

The Industrial Development and Investment Center (IDIC) of the Ministry of Economic Affairs is in charge of investment promotion and serves as a bridge to assist prospective foreign investors, while the Investment Commission of the Ministry is responsible for the screening and approval of foreign investments. During the past few years, IDIC has also promoted outward investments.

(1) Inward Investment

According to the Statute for Investment by Foreign Nationals, foreign nationals may invest directly in most industries upon approval by Investment Commission. The Territory protects following rights of foreign investors:

- (a) All foreign investing enterprises are entitled to the same incentive measures as their local counterparts.
- (b) Foreign investors can hold 100 percent of the shares of their manufacturing enterprises in the Territory.
- (c) There are no remittance restrictions on income and profits derived from their investments in the Territory.
- (d) There are no remittance restrictions on the sale of shares or on the termination of investment.
- (e) There are no local content requirements for foreign companies except in automobile and motorcycle manufacturing.

(2) Outward Investment

The Territory also encourages outward investment. Since the relaxation of foreign exchange controls and the promulgation of "Regulations Concerning the Screening and Handling of Outward Investment and Outward Technical Cooperation Projects" in 1987, outward investments have become more evident and played an increasingly important role in the economic development of South East Asia.

(3) Future Directions

The Territory is determined to:

- (a) Continue to maintain a good investment environment by streamlining the existing rules and regulations, and reducing unnecessary administrative procedure.
- (b) Seek to introduce foreign high-technology and advanced management expertise in order to improve the local economic structure and to promote economic growth.
- (c) Encourage local investors to increase their overseas investments to help capital formation and to increase employment in the Third World countries.

GOVERNMENT PROCUREMENT

The Territory's government procurement is classified into two categories: domestic purchases and overseas purchases. Both have to comply with the pertinent provisions of the Law of Audit.

Under the Law of Audit, procurement can be made by open tender, restricted tender or negotiation. If the budget of a purchase reaches a certain amount prescribed by the Ministry of Audit, the purchase must be conducted by open tender unless otherwise approved. At present the prescribed amount is N.T.\$ 50 million (about U.S.\$ 1.92 million).

Apart from the Law of Audit, the Territory has also set down guidelines for centralized procurement of foreign goods. According to the guidelines, an overseas procurement by central government agencies with a budget exceeding the prescribed amount shall be entrusted to the Central Trust of China (CTC) for handling in accordance with CTC's standard operating procedures.

However, the centralized procurement system has been modified to provide for the following exceptions:

- Overseas procurement below the prescribed amount can be conducted by the end-user.
- (2) All public colleges, universities and public institutes for academic research and training may buy supplies by themselves for the purpose of teaching or educational research.
- (3) All military supplies shall be handled according to specific procedures by military agencies.
- (4) If special permission is granted by the government, the end-user may handle its own overseas procurement.

STATE ENTERPRISES

There are 10 state enterprises and a few provincial enterprises which conduct transactions in international markets. The purpose of these state enterprises is to stabilize supply and prices of raw materials or industrial inputs, or to develop certain strategic industries. Some of these enterprises enjoy a monopoly position or have the exclusive right to import certain products and raw materials.

After an assessment made in 1987, the government, based on efficiency considerations, has initiated privatizing programs for China Steel Corporation, China Shipbuilding Corporation, China Petrochemical Development Corporation, Taiwan Machinery Manufacturing Corporation and BES Engineering Corporation.

The Territory also lifted its exclusive right to operate petrol filling stations, allowed the importation and free selling of wine, beer and cigarettes by private companies and approved the application lodged by Formosa Plastic Corporation to set up the sixth naphtha cracker. All these measures are to introduce competition into markets and to increase efficiency for public enterprises.

State enterprises are encouraged to make purchases or sales solely in accordance with commercial considerations.

10. COMPETITION POLICY AND CONSUMER PROTECTION

In order to maintain open competition, to promote the stability and prosperity of the economy, and to protect consumers' interests, the Fair Trade Law was passed by Legislative Yuan in January 1991 and will come into force on February 4, 1992.

The law is designed to prohibit enterprises from engaging in unfair trade practices which undermine the competition and impair the market mechanism. It also set out provisions regarding monopoly behavior, combination, concerted actions, multilevel sales and other matters relating to unfair trade practices.

The Fair Trade Committee shall be established under the supervision of the Executive Yuan to enforce the law and to investigate and handle violations of the provisions.

The Territory is also drafting a Consumer Protection Law to protect consumers' interests.

11. INTELLECTUAL PROPERTY RIGHTS PROTECTION

Protection of intellectual property rights has been a longestablished policy of the Territory. Both the government and industry cooperate for effective protection of intellectual property rights, including the level of protection and enforcement. These efforts can be outlined as follows:

(1) Copyright Protection

The Copyright Law was amended on July 10, 1985 to broaden the list of copyrightable subject matters to include, among others, computer programs, scientific-technological or engineering drawings. It also imposes heavier penalties on infringements and extends the term of protection to a minimum of 30 years. In addition, the Law accords protection to foreign copyright owners on the basis of reciprocity.

The Territory is amending the Law again to meet the criteria of Bern Convention. A draft amendment has been submitted to Legislative Yuan in December 1990. The bill, if enacted, shall provide the same advanced level of copyright protection as those of developed economies.

(2) Trademark Protection

The Territory's Trademark Law was amended on November 29, 1985. The penalties for infringements were made stiffer by imposing up to five years' imprisonment. The Law was further amended on May 26, 1989 to stipulate that infringing goods should be seized regardless of ownership. It also accords national treatment, on a reciprocal basis, to foreign trademark owners.

(3) Patent Protection

The Patent Law was amended on December 24, 1986 to bring it up to date with industrial and technological developments. The amendment broadened the scope of patentable items to include chemicals and pharmaceuticals and afforded greater remedies to patent holders. The government is in the process of drafting further amendments to the Law, taking

into consideration future trends in patent protection in other countries and the applicability of the Law. The Territory grants national treatment to foreign patent owners on a reciprocal basis.

12. LABOR POLICY

With small and densely-populated islands that are relatively poor in natural resources, the Territory could not have achieved economic development unless its human resources had been sufficiently and adequately developed. To this end, labor policy plays an important role.

The Territory's labor policy is designed to meet the challenge brought upon by its economic development and to protect labor rights as well.

The Territory provides constitutional protection for the rights of workers including the rights to work in fair conditions, to form unions, to engage in collective bargaining and to strike without violation of regulations and laws.

SMALL AND MEDIUM ENTERPRISE POLICY

Small and medium enterprises are the backbone of the Territory's economy and have contributed to the equitable distribution of wealth.

The Territory focuses on a balanced development between large firms and small and medium enterprises. However, as the latter are thought to be less resourceful than the former, the Territory tends to exert its efforts to help them grow steadily. In February, 1991, the Territory promulgated "the Statute for the Development of Small and Medium Enterprises" and will take the following measures to improve the investment environment for them:

- (1) Providing market information
- (2) Promoting the rationalization of management
- (3) Encouraging technical cooperation
- (4) Facilitating access to production resources, such as land, capital and labor force
- (5) Education and training of competent personnel
- (6) Promotion of mutual cooperation

SCIENCE AND TECHNOLOGY POLICY

Recognizing that technological progress is the key to future development and a prerequisite for the success in the market place, the Territory is making great efforts in research and technological development. The Territory has also identified the following areas as new and promising industries deserved of major focuses of attention: telecommunications industry, information industry, consumer electronics industry, semiconductors industry, precision machinery and automation industry, aerospace industry, advanced materials industry, specialty chemicals and pharmaceuticals industry, medical and health care industry and pollution control industry. Eight key technologies to support the development of above mentioned new and promising industries are: optoelectronics, information software, industrial automation, applies materials technology, advanced sensing technology, biotechnology, resource development and energy conservation.

15. THE INTERNATIONAL ECONOMIC COOPERATION DEVELOPMENT FUND

The purpose of the establishment of the International Economic Cooperation Development Fund is to strengthen international economic cooperation through joint efforts with developing countries. The authorized capital of the Fund is U.S.\$ 1.1 billion. The Fund is used to provide soft loans and technical assistance to those developing countries which are friendly to the Territory. Since its establishment on 5 October, 1988, the Fund has reviewed 83 applicants from 29 countries and four international organizations and has approved 18 applications as of December 31, 1991.

TRANSPORT POLICY

The Territory's transport policy is to provide a safe and comfortable, convenient and rapid as well as economical transport environment for its people and economic development. The Territory has deregulated most of its domestic air and inland transport service and is willing to exchange landing rights with other countries.

17. TELECOMMUNICATION POLICY

The Directorate General of Telecommunications is currently both a provider and administrator of telecommunications services. The Territory is now in the process of amending its Telecommunications Law to clearly separate the regulatory and operational functions of the Telecommunications Administration to create a more competitive environment. The Territory is considering to allow foreign participation in its value-added networks (VANs) and other non-reserved services in the telecommunications sector.

18. MULTILATERAL ECONOMIC COOPERATIONS

The Territory is eager to participate, on reciprocal and mutually advantageous basis, all multilateral and regional cooperations which are aimed at advancing the cause of free trade and a liberal investment climate, assisting economic development, raising standards of living, ensuring full employment, supporting sustained growth, developing full use of world resources and mutually reinforcing with GATT system. The Territory is also willing to contribute to multilateral efforts in assisting the economic development of developing countries.

For these reasons, the Territory participated actively in all OECD dialogues and workshops with Dynamic Asian Economies (DAEs) since 1990, joined the Asia-Pacific Economic Cooperation (APEC) in November 1991, provided funds to European Bank for Reconstruction and Development (EBRD) and Central American Bank in September and October 1991.

The Territory is equally concerned and care about the environmental and national protection and would like to join in international efforts to promote such goals. The Territory respects the letters and spirits of Montreal Protocol.

The Territory is also an observer of South Pacific Forum.

IV. TRADE LAWS AND REGULATIONS, ORGANIZATIONS AND PUBLICATIONS

1. LAWS AND REGULATIONS AND RESPONSIBLE AGENCIES CONCERNING CUSTOMS ADMINISTRATION

Major tariff regulations include (1) the Customs Law and (2) the Enforcement Rules for the Customs Laws (3) the Implementing Regulation on the Imposition of Countervailing Duties & Antidumping Duties.

The Department of Customs Administration of the Finance Ministry is responsible for establishing customs systems and drawing up tariff regulations; the Inspectorate General of Customs (IGC) is charged with the collection of customs tariffs.

2. REGULATIONS AND RESPONSIBLE BODY CONCERNING IMPORT AND EX-PORT LICENSING

The Board of Foreign Trade (BOFT) of the Ministry of Economic Affairs is the administration and policy formulation body on all external trade matters and is responsible for import and export licensing.

Currently, imports are handled in accordance with the "Guidelines for Screening Imported Goods" and the "Regulations Governing Import Applications" compiled by the Ministry of Economic Affairs.

The existing major regulations governing exports are: the Basic Rules for Screening Exported Commodities; the Measures for Management of Exporters and Importers; and the Regulations Governing Export Applications.

The BOFT is now drafting the Regulations for Management of Exported and Imported Goods under the Trade Bill now in legislative process, which will integrate the major contents of the abovementioned regulations in order to meet GATT requirements.

3. REGULATIONS GOVERNING FOREIGN INVESTMENT AND RESPONSIBLE AGENCIES

The major regulations governing foreign investment are:

- Statue for Investment by Foreign Nationals (Ministry of Economic Affairs);
- (2) Statue for Investment by Overseas Chinese (MOEA);
- (3) Regulations governing the Screening and Handling of Outward Investment and Outward Technical Cooperation Projects (MOEA);
- (4) Statue for Establishment and Management of Export Processing Zones (MOEA);
- (5) Enforcement Rules of Statue for the Establishment and Administration of Science-based Industrial Parks (National Science Council);
- (6) The Negative Lists for Investment by Overseas Chinese and Foreign Nationals (MOEA).

The Investment Commission of the Ministry of Economic Affairs is the major government agency responsible for screening foreign and overseas Chinese investment projects and the Industrial Development and Investment Center (IDIC) of the Ministry is responsible for the administration of related investment activities.

4. PUBLICATIONS RELATED TO FOREIGN TRADE STATISTICS

- (1) The Republic of China Statistics Yearbook (by Directorate General of Budget, Accounting and Statistics, Executive Yuan);
- (2) The Republic of China Statistics Monthly (by DGBAS);
- (3) The Republic of China Statistics Handbook (by DGBAS);
- (4) The Republic of China Export-Import Statistics Monthly (by Ministry of Finance);
- (5) Customs Import Tariff and Classification of Import and Export Commodities of the Republic of China (by IGC, MOF and BOFT, MOEA);
- (6) The China Import-Export Statistics Yearbook (the Taiwan area) (by IGC);

- (7) The Republic of China Import-Export Statistics Monthly (by IGC);
- (8) The Bulletin of Statistics of Banks' Foreign Exchange Transactions in Imports and Exports (by Central Bank of China);
- (9) Taiwan Statistical Data Book (by Council for Economic Planning and Development);
- (10) Balance of Payments, Taiwan District, the Republic of China (by CBC).

ANNEX

LIST OF BILATERAL TRADE AGREEMENTS

A. North America

The United States1

Treaty of Friendship, Commerce and Navigation with Accompanying Protocol, November 1946.

Exchange of Notes between the Government of the Republic of China and the Government of the United States of America, Concerning an Agreement on Trade Matters, December 1978.

Exchange of Letters between the Coordination Council for North American Affairs and the American Institute in Taiwan Concerning an Agreement on MTN Consultations, October 1979.

Agreement on Tariff Concessions between the Parties Represented by American Institute in Taiwan and Coordination Council for North American Affairs, December 1981.

^{1.} Taiwan Relations Act 1979 of the United States authorizes "the continuation of commercial, cultural, and other relations" with It stipulates that the absence of diplomatic relations or recognition shall not affect the application of the laws of the United States with respect to Taiwan, and the laws of the United States shall apply with respect to Taiwan in the manner that the laws of the United States applied with respect to Taiwan prior to January 1, 1979. "For all purposes, including actions in any court in the United States, the Congress approves the continuation in force of all treaties and other international agreements, including multilateral conventions, entered into by the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979". The Act also authorizes the US Government "to enter into, perform, enforce, or have in force an agreement or transaction relative to Taiwan" through the American Institute in Taiwan (AIT). An authorization has also been given on Taiwan side to the Coordination Council for North American Affairs (CCNAA) to enter into, perform, and enforce agreements with the AIT.

Exchange of Letters between CCNAA and AIT Concerning the Export Performance Requirement Affecting Investment in the Automotive Sector, October 1986.

Agreement between CCNAA and AIT Concerning Trade in Certain Machine Tools, December 1986.

Agreement between CCNAA and AIT Concerning Beer, Wine and Cigarettes, January 1987.

Agreement for the Reciprocal Exemption from Income Tax of Income Derived from the International Operation of Ships and Aircraft between the CCNAA and the AIT, May 1988.

Memorandum of Understandings between the American Institute in Taiwan and the Coordination Council for North American Affairs, March 1989. (concerning turkey meat imports)

Agreement Concerning the Protection and Enforcement of Rights in Audio-Visual Works between the Coordination Council for North American Affairs and the American Institute in Taiwan, May 1989.

Exchange of Letters between the CCNAA and the AIT regarding the High Seas Driftnet Fishing in the North Pacific Ocean, August 1989.

Exchange of Letters concerning Copyright Agreement between the CCNAA and the AIT, June 1990.

Exchange of Letters concerning the Textile Agreement between the CCNAA and the AIT, September 1990.

Agreement for the Exchange of Air Transport Equipment and Service Information, November 1990.

Canada

Memorandum on Air Services, October 1990.

B. Asia

Japan

Agreement for the Establishment of Overseas Office between the Association of East Asian Relations and the Interchange Association, December 1972. (translated from Chinese and Japanese)

Agreement for the Maintenance of Civil Air Business between the Association of East Asian Relations and the Interchange Association, July 1975. (translated from Chinese and Japanese)

Agreed Minutes of the Economic and Trade Conferences between the Association of East Asian Relations and the Interchange Association, 1975 to 1990.

Agreement for the Reciprocal Exemption from Taxes on Income Derived from the Operation of International Sea and Air Transport between the Association of East Asian Relations and the Interchange Association, September 1990. (translated from Chinese and Japanese)

Saudi Arabia

Memorandum of Understanding Amending the Annex of the Air Transport Agreement between the Republic of China and the Kingdom of the Saudi Arabia, May 1986.

Technical Cooperation Program between the Saudi Arabian Standards Organization (SASO) and the Chinese Bureau of Commodity Inspection & Quarantine (B.C.I.Q.), August 1988.

Korea

Trade Agreement between the Government of the Republic of China and the Government of the Republic of Korea, March 1961.

Agreement for the Reciprocal Exemption from Taxes on Revenue or Income Derived from the Operation in International Traffic of Ships or Aircraft between the Governments of the Republic of China and the Republic of Korea, July 1972.

Air Transport Agreement between the Government of the Republic of China and the Government of the Republic of Korea, November 1990.

Agreement between the Government of the Republic of China and the Government of the Republic of Korea on ATA Carnet, November 1990.

Singapore

Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income between Department of Taxation, Ministry of Finance, Republic of China and Inland Revenue Commission, Ministry of Finance, Republic of Singapore, December 1981.

Memorandum of Understanding on Scientific and Technological Cooperation between the Science Council of Singapore and the National Science Council of the Republic of China, January 1982.

Agreement on Exchange of Traffic Rights between the Civil Aeronautics Administration of the Republic of China and the Civil Aviation Authority of Singapore, October 1989.

Agreement between the Board of Foreign Trade in Taipei and the Trade Development Board in Singapore for the Temporary Admission of Goods, April 1990.

Agreement between the Industrial Development & Investment Center in Taipei and the Economic Development Board in Singapore on the Promotion & Protection of Investments, April 1990.

Thailand

Agreement for the Reciprocal Exemption from Taxes on Income Derived from the Operation of International Air Transport, June 1984.

Memorandum of Understanding between China Airlines Limited and Thai Airways International Limited concerning the Exchange of Traffic Rights, July 1987.

Memorandum of Understanding between Thai Airways International Ltd. and China Airlines Ltd. concerning the Handling of Travel Documents and the Promotion of Economic Activities and Tourism, July 1987.

Cooperation Agreement between the Federation of Thai Industries and the Chinese National Association of Industry and Commerce, January 1989.

Memorandum of Understanding between China Airlines Ltd. and Thai Airways International Ltd., April 1990.

Memorandum of Understanding between Evergreen Airways Corporation and Thai Airways International Limited, October 1990.

Indonesia

Agricultural Technical Cooperation Agreement between the Chinese Chamber of Commerce to Jakarta and the Indonesian Chamber of Commerce to Taipei, October 1985.

Memorandum between the Chinese Chamber of Commerce to Jakarta and the Indonesian Chamber of Commerce to Taipei for Extension and Amendment to the Agreement on Agricultural Technical Cooperation in East Java, November 1986.

Sino-Indonesian Fishing Cooperation Agreement, June 1987.

Agreement of Air Service between Chamber of Commerce of China, Jakarta, and Chamber of Commerce of Indonesia, Taipei, November 1988.

The Extension to the Agricultural Technical Cooperation Agreement between the Chinese Chamber of Commerce to Jakarta and the Indonesian Chamber of Commerce to Taipei, October 1988.

Air Services Agreement between the Taipei Economic and Trade Office and the Indonesian Chamber of Commerce to Taipei, November 1989. Agreement between the Taipei Economic and Trade Office and the Indonesian Chamber of Commerce in Taipei for the Promotion and Protection of Investment, December 1990.

The Philippines

Memorandum of Agreement between China Airlines Ltd. and Philippine Airlines Inc., April 1990.

Bahrain

Agreement of Agricultural Technical Cooperation between the Government of the Republic of China and the Government of the State of Bahrain, February 1987.

The United Arab Emirates

Agreement on Exchange of Traffic Rights between the Civil Aeronautics Administration of the Republic of China and the Department of Civil Aviation of The United Arab Emirates, January 1990.

Lebanon

Agreement between China Airlines Limited and Trans-Mediterranean Airways S. A. L. concerning the Exchange of Traffic Rights, June 1987.

C. Oceania

Australia

Fishery Agreement between the Government of Australia and Kaoshing Kailis Fishing Company, November 1979.

Tonga

Fishery Agreement between the Government of the Republic of China and the Government of Kingdom of Tonga, October 1980.

Tuvalu

Fishery Agreement between the Government of the Republic of China and the Government of Tuvalu, November 1981.

Solomon Islands

Fishery Agreement between the Government of the Republic of China and the Government of Solomon Islands, October 1983.

Agreement of Technical Cooperation between the Government of the Republic of China and the Government of Solomon Islands, December 1989.

Marshall Islands

Fishery Agreement between the Government of the Republic of China and the Government of Marshall Islands, October 1982.

Memorandum for Continuing the Agreement of Technical Cooperation between the Government of the ROC and the Government of the Republic of the Marshall Islands, February 1988.

Cook Islands

Agreement between the Government of the Cook Islands and the Taiwan Deep Sea Tune Boat Owners and Exporters Association concerning the Licensing of Fishing Vessels of the Association to Fish within the Exclusive Economic Zone of the Cook Islands, January 1988.

Kiribati

Fishery Agreement between Overseas Fisheries Development Council and the Government of the Republic of Kiribati, March 1980.

Papua New Guinea

Agreement of Agricultural Technical Cooperation between the Government of the Republic of China and the Government of Papua New Guinea, September 1990.

Nauru

Agreement of Exchange of Traffic Rights between the Civil Aeronautics Administration of the Republic of China and the Civil Aviation Authority of the Republic of Nauru, March 1988.

Palau

Exchange of Notes for the Agreement on Technical Cooperation between the Government of the Republic of China and the Government of the Republic of Palau, December 1988.

Fiji

Agreement of Technical Cooperation between the Government of the Republic of China and the Government of the Republic of Fiji, April 1990.

Agreement of Technical Cooperation on Sugar Industry between the Government of the ROC and the Government of the Republic of Fiji, April 1990.

D. Europe²

2. The European Parliament adopted a resolution on "Trade with Taiwan" (Doc. 2-1765/84, PV 23 II, PE 99.454, p.30) in which the European Parliament, "believes that the Community cannot neglect the economic importance of Taiwan and should take full advantage of developing commercial and economic relations; urges the Commission to improve the existing commercial and economic relations with Taiwan and therefore to ensure that Taiwan is informed of planned trade measures and is treated in a comparable manner to other Far Eastern trading partners"; "Also suggests that consideration be given as to how to integrate Taiwan into the obligations and responsibilities of an advanced trading partner within the international economic system with particular regard to the mutual observation of internationally accepted agreements regulating fair-trading practices such as the GATT and the ILO; asks, in the interests of furthering the reciprocity of trade and industrial contacts to the common benefit, that business and in-

Protocol on Income Tax Exemption on Shipping Enterprises between Taipei Economic and Cultural Office, Brussels, Belgium and Eurochambers, Association of European Chambers of Commerce and Industry, August 1990.

Agreement (and Protocol) on the Organization of a System of International Customs Deposits with China-Taiwan for the Temporary Admission of Goods between China External Trade Development Council and the Association of European Chambers of Commerce and Industry, March 1991.

The Netherlands

Protocol Concerning Income Tax Exemption on Shipping Enterprises Between the Far East Trade Office, the Hague and the Dutch/Chinese Committee for Economic Cooperation of the Joint Business Council, the Hague, June 1989.

Luxembourg

Agreement between the Department of Taxation of the Ministry of Finance of the Republic of China and the Tax Administration of the Ministry of Finance of the Grand-Duchy of Luxembourg for the Reciprocal Exemption from Taxes on Revenues or Income Derived from the Operation of International Air Transport, March 1985.

Sweden

Protocol on Income Tax Exemption on Shipping Enterprises between the Taipei Trade Tourism and Information Office, Stockholm and the Swedish Trade Council, September 1990.

Germany

Protocol concerning Income Tax Exemption on Shipping Enterprises between Far East Information, Bonn Office and Taiwan Committee of the German Economy, August 1988.

dustrial relations should be facilitated and improved by simplifying existing procedure"

Norway

Protocol on Income Tax Exemption on Shipping Enterprises between Taipei Trade Center, Oslo and Norwegian Trade Council, June 1991.

Austria

Agreement concerning the Establishment of Scheduled Airlinks between Vienna International Airport and Taipei International Airport, September 1990.

Spain

Acuerdo preliminar de Cooperacion Bilateral entre la Asociacion de Importadores y Exportadores de Taipei de la Republica de China la Camara Oficial del Comercio e Industria de Navarra de Espana, March 1991.

E. Africa

South Africa

Trade Agreement between the Government of the Republic of China and the Government of the Republic of South Africa, February 1975.

Fishery Agreement between the Government of the Republic of China and the Government of the Republic of South Africa, January 1978.

Agreement for the Reciprocal Exemption from Taxes on Income Derived from the Operation of Sea and Air Transport between the Government of the Republic of China and the Government of the Republic of South Africa, March 1980.

Rules of Procedure for the Exchange of Scientists in Accordance with the Agreement of Agricultural Scientific and Technological Cooperation between the Republic of China and the Republic of South Africa, April 1988.

Maize Trade Agreement between Board of Foreign Trade, Ministry of Economic Affairs, Republic of China and Maize Board, Republic of South Africa, May 1989.

Agreement for the Exchange of Plant Material between the Council of Agriculture of the Republic of China and the Department of Agricultural Development of the Republic of South Africa, January 1990.

Mauritius

Agreement on Agricultural Technical Cooperation between the Trade Mission of the Republic of China to Mauritius and the Rose Belle Sugar Estate Board of Mauritius, November 1989.

Lesotho

Agreement on Agricultural Technical Cooperation between the Government of the Republic of China and the Government of the Kingdom of Lesotho, June 1990.

Guinea-Bissau

Acordo Geral de Cooperacao Economica Cientifica e Tecnica enter o Governo da Republica da China e o Governo da Republica da Guine-Bissau, October 1990.

Swaziland

Exchange of Notes for the Extension of the Agreement on Agricultural Technical Cooperation between the Republic of China and the Kingdom of Swaziland, April 1987.

F. Latin America

Guatemala

Convenio Comercial entre el Gobierno de la Republica de China y el Gobierno de la Republica de Guatemala, April 1979.

Canje de Notas entre la Republica de China y la Republica de Guatemala Relacionadas a la Extension del Acuerdo de Cooperacion Tecnica-Minera de Pesca, March 1990.

Costa Rica

Convenio Comercial entre la Republica de China y la Republica de Costa Rica, November 1964.

Dominican

Acuerdo Comercial entre la Republica de China y la Republica Dominicana, October 1964.

Acuerdo entre la Republica de China y la Republica Dominicana Para la Creacion de un Proyecto Piloto Para la Crianza de Camarones Marinos, November 1988.

Canje de Notas entre la Republica de China y la Republica Dominicana Relacionadas a la Extension del Agregado Adicional al Acuerdo de Cooperacion Tecnica, December 1989.

Dominica

Agreement of Cooperation on Agricultural Technology between the ROC and the Commonwealth of Dominica, June 1989.

El Salvador

Acuerdo Comercial entre la Republica de China y la Republica de El Salvador, October 1964.

Canje de Notas entre la Republica de China y la Republica de El Salvador Relacionadas a la Extension del Acuerdo de Cooperacion Tecnico-Agricola, January 1988.

<u>Honduras</u>

Acuerdo Comercial entre la Republica de China y la Republica de Honduras, November 1964.

Canje de Notas entre la Republica de China y la Republica de Honduras Relacionadas a la Extension del Acuerdo de Cooperacion Tecnica-Pesquera, November 1988.

Convenio de Asistencia Tecnica y Cooperacion Agropecuaria entre la Republica de China y la Republica de Honduras, December 1989.

Panama

Convenio Comercial entre la Republica de China y la Republica de Panama, April 1981.

Canje de Notas entre la Republica de China y la Republica de Panama Relacionadas a la Extension del Acuerdo de Cooperacion Tecnica, November 1989.

Canje de Notas Relacionadas a la Extension del Acuerdo de Cooperacion Tecnica de Pesca entre la Republica de China y la Republica de Panama, August 1990.

Paraquay

Tratado de Comercio y de Cooperacion Economica entre la Republica de China y la Republica del Paraguay, May 1962.

Acuerdo Para el Establecimiento de Proyectos de Desarrollo Integrado en Asentamientos Rurales entre la Republica de China y la Republica del Paraguay, October 1989.

Haiti

Accord de Commerce entre la Republique de Chine et la Republique d'Haiti, July 1974.

Exchanges de Notes entre la Republique de Chine et la Republique d'Haiti concernant la prorogation de l'accord de la Cooperation Technique Agricole, October 1986.

Ecuador

Convenio de Cooperacion Tecnica entre el Consejo de Agricultura del Yuan Ejecutivo de la Republica de China y el Ministerio de Defensa Nacional de la Republica del Ecuador, February 1990.

St. Kitts & Nevis

Exchange of Notes for the Extension of the Agreement on Agricultural Technical Cooperation between the Republic of China and the Government of St. Kitts and Nevis, April 1989.

St. Lucia

Addendum to Agreement on Agricultural Technical Cooperation between the Government of the Republic of China and the Government of St. Lucia, May 1990.

St. Vincent

Exchange of Notes for the Extension of the Agreement on Technical Cooperation in Agriculture between the Republic of China and St. Vincent, August 1990.

Uruquay

Canje de Notas entre la Republica de China y la Republica Oriental del Uruguay Relacionadas a la Extension y Ampliacion del Acuerdo de Cooperacion Tecnico-Agricola, February 1987.

Bahamas

Agreement of Agricultural Technical Cooperation between the Government of the Republic of China and the Government of the Commonwealth of the Bahamas, March 1990.

Belize

Agreement on Agricultural Technical Cooperation between the Government of the Republic of China and the Government of Belize, October 1990.

Grenada

Agreement on Agricultural Technical Cooperation between the Government of the Republic of China and the Government of Grenada, February 1991.

Table 1 Gross National Product Unit: US\$ Million

At Curre	At Constant Prices of 1986					
Amount	Growth	Rate	(%)	Growth	Rate	(%)
1,617		19.	63		8	.24
-	1					.10
	1					.17
		12.	74		8	.18
	1				5	.55
	1	16.	33		12	.57
	1	12.	41		11	.87
		9.	01		7	.84
150,283	1	10.	70		7	.33
161,728		9.	59		5	.29
	Amount 1,617 2,887 16,094 76,934 63,097 77,299 103,200 125,316 150,283	Amount Growth 1,617 2,887 16,094 76,934 63,097 77,299 103,200 125,316 150,283	1,617 19. 2,887 14. 16,094 19. 76,934 12. 63,097 6. 77,299 16. 103,200 12. 125,316 9. 150,283 10.	Amount Growth Rate (%) 1,617 19.63 2,887 14.30 16,094 19.79 76,934 12.74 63,097 6.19 77,299 16.33 103,200 12.41 125,316 9.01 150,283 10.70	Amount Growth Rate (%) Growth 1,617 19.63 2,887 14.30 16,094 19.79 76,934 12.74 63,097 6.19 77,299 16.33 103,200 12.41 125,316 9.01 150,283 10.70	Amount Growth Rate (%) Growth Rate 1,617 19.63 8 2,887 14.30 9 16,094 19.79 10 76,934 12.74 8 63,097 6.19 5 77,299 16.33 12 103,200 12.41 11 125,316 9.01 7 150,283 10.70 7

Source: "Quarterly National Economic Trends, Taiwan Area" Directorate-General of Budget, Accounting and Statistics (DGBAS)

Table 2

Per Capita GNP

Unit: US\$

217 389 964 2,344 2,669
964 2,344 2,669
2,344 2,669
2,669
2,653
2,823
3,167
3,297
3,993
5,275
6,333
7,512
7,997

Table 3 Annual Changes in Prices

previous year = 1

Period	Wholesale prices	(%) Consumer prices (%)
1960s	3.10	4.80
1970s	8.20	8.90
1980s	1.50	6.30
1985	-2.60	- 0.17
1986	-3.34	0.70
1987	-3.25	0.52
1988	-1.56	1.28
1989	-0.38	4.41
1990	-0.61	4.13

Table 4 Unemployment Rate

Period	Unemployment rate(%)
1960s	3.30
1970s	1.66
1980	1.23
1981	1.36
1982	2.14
1983	2.71
1984	2.44
1985	2.91
1986	2.66
1987	1.97
1988	1.69
1989	1.56
1990	1.67

Table 5	istributi	on of Per	sonal In	come by H	ousehold				
									Unit: %
					•••••				
Households divided									
into five groups of	f 1964	1974	1980	1985	1986	1987	1988	1989	1990
equal size									
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Lowest fifth	7.71	8.84	8.82	8.37	8.30	8.11	7.89	7.70	7.45
Second fifth	12.57	13.49	13.90	13.59	13.51	13.5	13.43	13.50	13.22
Third fifth	16.62	16.99	17.70	17.52	17.38	17.53	17.55	17.72	17.51
Fourth fifth -	22.03	22.05	22.78	22.88	22.65	22.82	22.88	23.07	23.22
Highest fifth	41.07	38.63	36.80	37.64	38.16	38.04	38.25	38.01	38.60
Ratio of highest									
fifth's income to	5.33	4.37	4.17	4.50	4.60	4.69	4.85	4.94	5.18
lowest fifth's									

Source : 1. "Taiwan Statistical Data Book 1990"

Council for Economic Planning and Development

 [&]quot;Quarterly National Economic Trends, Taiwan Area" DGBAS

Table 6 Foreign Exchange Rate

End of	Month	U.S.\$1.00 =N.T.\$
		40.05
	1961	40.05
	1962	40.05
	1963	40.05
	1964	40.05
	1965 1966	40.05
		40.05
	1967	40.05
	1968	40.05
	1969	40.05
	1970	40.05
	1971	40.05
	1972 1973	40.05
	1973	38.00
		38.00
	1975	38.00
	1976	38.00
	1977	38.00
	1978	36.00
	1979	36.03
	1980	36.28
	1981	37.84
	1982	39.91
	1983	40.27
Dec.		39.47
	1985	39.85
	1986	35.50
	1987	28.55
Dec.		28.17
Dec.		26.17
Dec.		27.11
Dec.		25.75

Source: "Financial Statistics Monthly Taiwan District" The Central Bank of China (CBC)

Table 7

Money Supply

End of	Money Supply	y (M1B*)	Money Supply (M2)			
Year	M1B	Annual	M2	Annual		
	(NT\$ Million)			Growth(%)		
1961	7,699	- 1	16,718	-		
1962	8,086	5.0	19,041	13.9		
1963	10,355	28.1	24,843	30.5		
1964	13,979	35.0	32,341	30.2		
1965	16,194	15.8	37,350	15.5		
1966	18,170	12.2	44,572	19.3		
1967	23,637	30.1	54,875	23.1		
1968	26,360	11.5	61,706	12.4		
1969	30,472	15.6	75,068	21.7		
1970	35,042	15.0	92,588	23.3		
1971	45,756	30.6	119,331	28.9		
1972	61,357	34.1	158,112	32.5		
1973	92,268	50.4	205,157	29.8		
1974	101,922	10.5	255,984	24.8		
1975	131,227	28.8	327,711	28.0		
1976	164,103	25.1	413,039	26.0		
1977	219,188	33.6	545,213	32.0		
1978	300,213	37.0	714,131	31.0		
1979	323,417	7.7	782,285	9.5		
1980	396,862	22.7	953,613	21.9		
1981	451,560	13.8	1,131,401	18.6		
1982	517,480	14.6	1,406,189	24.3		
1983	612,902	18.4	1,777,608	26.4		
1984	669,619	9.3	2,134,220	20.1		
1985	751,469	12.2	2,633,142	23.4		
1986	1,137,863	51.4	3,298,862	25.3		
1987	1,568,225	37.8	4,175,021	26.6		
1988	1,950,473	24.4	4,920,804	17.9		
1989	2,068,759	6.1	5,671,941	15.2		
1990	1,929,991	-6.7	6,231,214	9.9		

"Financial Statistics Monthly, Taiwan District" Source:

The Central Bank of China
Include net currency, net checking accounts and
passbook deposits and passbook savings deposits.

Table 8

Net Domestic Product by Kind of Activity

Unit: %

Year	Total	Agriculture	Industries	Services
1952	100.0	26.0	10.0	46.0
	100.0	36.0	18.0	46.0
1953	100.0	38.3	17.7	44.0
1954	100.0	31.7	22.2	46.1
1955	100.0	32.9	21.1	46.0
1956	100.0	31.6	22.4	46.0
1957	100.0	31.8	23.9	44.3
1958	100.0	31.1	24.0	44.9
1959	100.0	30.5	25.7	43.8
1960	100.0	32.9	24.9	42.2
1961	100.0	31.6	25.0	43.4
1962	100.0	29.4	25.7	44.9
1963	100.0	26.8	28.1	45.1
1964	100.0	28.3	28.9	42.8
1965	100.0	27.4	28.6	44.0
1966	100.0	26.3	28.8	44.9
1967	100.0	23.9	30.8	45.3
1968	100.0	22.1	32.5	45.4
1969	100.0	18.9	34.6	46.5
1970	100.0	18.0	34.5	47.5
1971	100.0	14.9	36.7	48.4
1972	100.0	14.2	40.3	45.5
1973	100.0	14.1	43.8	42.1
1974	100.0	14.5	41.2	44.3
1975	100.0	14.9	39.1	46.0
1976	100.0	13.4	42.7	43.9
1977	100.0	12.5	43.4	44.1
1978	100.0	11.3	44.9	43.8
1979	100.0	10.4	45.1	44.5
1980	100.0	9.2	44.7	46.1
1981	100.0	8.7	44.4	46.9
1982	100.0	9.2	42.9	47.9
1983	100.0	8.7	43.6	47.7
1984	100.0	7.5	45.4	47.1
1985	100.0	6.8	45.3	47.9
1986	100.0	6.4	47.1	46.5
1987	100.0	6.2	47.1	
1988	100.0	6.0	45.5	46.7
1989	100.0	5.7		48.5
1990			43.0	51.3
1990	100.0	4.9	~41.5	53.6

Table 9 Employment by Industries

Table 9	Employment	by Indust	Unit: %	
Period	Total	Primary Industry	Secondary Industry	
1952 Average	100.0	56.1	16.9	27.0
1953 Average	100.0	55.6	17.6	26.8
1954 Average	100.0	54.8	17.7	27.5
1955 Average	100.0	53.6	18.0	28.4
1956 Average	100.0	53.2	18.3	28.5
1957 Average	100.0	52.3	19.0	28.7
1958 Average	100.0	51.1	19.7	29.2
1959 Average	100.0	50.3	20.3	29.4
1960 Average	100.0	50.2	20.5	29.3
1961 Average	100.0	49.8	20.9	29.3
1962 Average	100.0	49.7	21.0	29.3
1963 Average	100.0	49.4	21.3	29.3
1964 Average	100.0	49.5	21.3	29.2
1965 Average	100.0	46.5	22.3	31.2
1966 Average	100.0	45.0	22.6	32.4
1967 Average	100.0	42.5	24.6	32.9
1968 Average	100.0	40.8	25.4	33.8
1969 Average	100.0	39.3	26.3	34.4
1970 Average	100.0	36.7	28.0	35.3
1971 Average	100.0	35.1	29.9	35.0
1972 Average	100.0	33.0	31.8	35.2
1973 Average	100.0	30.5	33.7	35.8
1974 Average	100.0	30.9	34.3	34.8
1975 Average	100.0	30.4	34.9	34.6
1976 Average	100.0	29.0	37.6	35.7
1977 Average	100.0	26.7	39.3	35.8
1978 Average 1979 Average		24.9	41.8	36.7
	100.0	19.5	42.4	38.1
	100.0	18.8	42.2	39.0
1981 Average 1982 Average	100.0	18.9	41.2	39.9
	100.0	18.6	41.1	40.3
1983 Average 1984 Average	100.0	17.6	42.3	40.1
1985 Average	100.0	17.5	41.4	41.1
1986 Average	100.0	17.0	41.5	41.5
1987 Average	100.0	15.3	42.7	42.0
1988 Average	100.0	13.7	42.6	43.7
1989 Average	100.0	12.9	42.2	44.9
1990 Average	100.0	12.8	40.9	46.3
TOOU HARTAGE	200.0	1 12.0	10.5	10.0

	Tot	tal Value	(NTS Million	1)	Expressed in US\$ million				
Period	Tatal	I		Balanca	Taral	Exports	Imports	Balance	
	Total	Exports	Imports	Balance	TOTAL .	Exports	I Inports		
1952	/ 001	1 /40	2 577	-1,065	303	116	187	-71	
1953	4,001	1,468	2,533	-770	320	128		-64	
1954	4,755			-1,853		93	211	-118	
1955	5,063	1,917		-1,229		123	201	-78	
1956	7,731	2,931	4,800	-1,869		118		-76	
1957	8,934	3,675	5,259	-1,584		148	212	-64	
1958	9,466	3,861	5,605	-1,744		156	226	-70	
1959	14,128	5,708	8,420			157		-74	
1960	16,763	5,966	10,797			164	297	-133	
1961	20,706	7,812	12,894	-5,082		195	322	-127	
1962	20,909	8,735	12,174			218		-86	
1963	22,766	13,283	14,483			332		-30	
1964	34,524	17,362	17,162			433	428	5	
1965	40,283	17,887	22,296			450		-106	
1966	46,608	21,451	24,957				622	-86	
1967	57,943	25,629	32,314		1,447		806	-165	
1968	67,790	31,568	36,222		1,692	789	903	-114	
1969	90,604	41,975	48,629		2,262	1,049	1,213	-164	
1970	120,367	59,257	61,110		3,005		1,524	-43	
1971	. 156,358	82,416	73,942	8,474	3,904	2,060	1,844	216	
1972	220,316	119,525	100,791	18,734	5,502	2,988	2,514	474	
1973	315,802	170,723	145,079	25,644	8,275	4,483	3,792	691	
1974	479,113	213,718	265,395	-51,677	12,605	5,639	6,966	-1327	
1975	427,928	201,468	226,460	-24,992	11,261	5,309	5,952	-643	
1976	599,052	309,913	289,139	20,774	15,765	8,166	7,599	567	
1977	679,078	355,239	323,839	31,400	17,872	9,361	5,811	3,550	
1978	876,887	468,509	408,378	60,131	23,714	12,687	11,027	1,660	
1979	1,112,227	579,299	532,928	46,371	30,877	16,103	14,774	1,329	
1980	1,423,628	712,195	711,433	762	39,544		19,733	78	
1981	1,608,389	829,756	778,633		43,811	22,611	21,200	1,411	
1982	1,600,332	864,248	736,084		41,092	22,204	18,888	3,316	
1983	1,819,326	1,005,422	813,904	191,518	45,410	25,123	20,287	4,836	
1984	2,075,558	1,204,697	870,861	333,836	52,415	30,456	21,959	8,497	
1985	2,024,866	1,223,019	801,847	421,172	50,828	30,726	20,102	10,624	
1986	2,423,024	1,506,603	916,421		64,013	39,849		15,685	
1987	2,818,755		1,113,105		88,569	53,612	34,957	18,655	
1988	3,152,080	1,729,466	1,422,614		110,241	60,585		10,929	
1989	3,130,378	1,745,105	1,385,273		118,450	66,201		13,952	
1990	3,274,660	1,802,780	1,471,880	330,900	121,930	67,214	54,716	12,498	

Table 11 Foreign Trade (Goods & Services)
Dependency

Unit: %

			Unit: 4
Year	EX/GNP	IM/GNP	(EX+IM)/GNP
1952	8.04	8.04	22.18
1953	8.64	8.64	22.45
1954	6.48	6.48	21.33
1955	8.26	8.26	20.84
1956	9.04	9.04	24.94
1957	9.69	9.69	24.51
1958	10.47	10.47	27.34
1959	12.72	12.72	33.72
1960	11.51	11.51	30.55
1961	14.01	14.01	35.12
1962	13.63	13.63	32.60
1963	17.94	17.94	37.03
1964	19.98	19.98	39.20
1965	19.36	19.36	41.72
1966	21.86	21.86	43.44
1967	22.19	24.24	46.43
1968	24.35	27.21	51.56
1969	26.91	27.64	54.55
1970	30.37	30.42	60.79
1971	35.58	33.12	68.70
1972	42.25	36.01	78.26
1973	47.22	41.92	89.14
1974	43.94	51.69	95.63
1975	39.86	43.15	83.01
1976	47.85	45.68	93.53
1977	49.22	44.32	93.54
1978	52.50	46.04	98.54
1979	53.30	52.17	105.47
1980	52.61	53.80	106.41
1981	52.20	50.15	102.35
1982	50.15	45.00	95.15
1983	52.98	44.35	97.33
1984	55.63	44.54	100.17
1985	53.33	39.75	- 93.08
1986	56.69	37.38	94.07
1987	56.41	39.34	95.75
1988	53.40	42.63	. 96.03
1989	49.22	41.57	90.79
1990	46.53	40.69	87.22

Table 12 Composition of Exports

Unit: US\$ Million

•••••								
	Industrial	Products	Processed Ag	ricultural	Agricultural	Products		
	I		Produc	ts	l			
Year		•••••		•••••			Total Exports	
	Amount	X .	Amount	X X	Amount	X		
**********		•••••		•••••		•••••		
1952	9.5	8.1	81.3	69.8	25.7		116.5	
1956	20.1	17.0	76.3	64.5	21.9	18.5	118.3	
1961	79.8	40.9	86.5	44.3	28.9	14.8	195.2	
1966	295.2	55.1	134.8	25.1	106.3	19.8	536.3	
1967	394.8	61.6	148.7	23.2	97.2	15.2	640.7	
1968	539.7	68.4	161.7	20.5	87.8	11.1	789.2	
1969	776.4	74.0	174.9	16.7	98.1	9.3	1,049.4	
1970	1,164.7	78.6	190.0	12.8	126.7	8.6	1,481.4	
1971	1,666.9	80.9	230.5	11.2	163.0	7.9	2,060.4	
1972	2,489.0	83.3	295.5	9.9	203.6	6.8	2,988.1	
1973	3,794.1	84.6	351.7	7.9	337.6	7.5	4,483.4	
1974	4,766.2	84.5	603.2	10.7	269.6	4.8	5,639.0	
1975	4,440.6	83.6	572.5	10.8	295.7	5.6	5,308.8	
1976	7,154.1	87.6	606.1	7.4	406.1	5.0	8,166.3	
1977	8,188.8	87.5	669.6	7.1	502.3	5.4	9,360.7	
1978	11,309.5	89.2	740.1	5.8	637.5	5.0	12,687.1	
1979	14,580.8	90.5	819.6	5.1	703.0	4.4	16,103.4	
1980	17,989.7	90.8	1,108.7	5.6	712.2	3.6	19,810.6	
1981	20,989.0	92.8	1,042.0	4.6	580.2	2.6	22,611.2	
1982	20,619.4	92.9	1,133.2	5.1	451.8	2.0	22,204.4	
1983	23,422.1	93.3	1,215.4	4.8	485.3	1.9	25,122.8	
1984	28,624.8	94.0	1,324.3	4.3	507.3	1.7	30,456.4	
1985	28,847.3	93.9	1,386.7	4.5	491.9	1.6	30,725.9	
1986	37,272.4	93.5	1,950.2	4.9	626.8	1.6	39,849.4	
1987	50,364.3	93.9	2,557.9	4.8	689.5	1.3	- 53,611.7	
1988	57,267.5	94.5	2,494.5	4.1	823.4	1.4	60,585.4	
1989	63,145.0	95.4	2,578.6	3.9	477.6	0.7	66,201.2	
1990	64,204.2	95.6	2,578.7	3.8	431.4	0.6	67,214.3	

Table 13 Composition of Imports

Unit: US\$ Million

	Agricultural &	Industrial	Capital	Equipment	Consumer	Goods	l .
	Raw Materials				1		1
Year							Total Imports
	Amount	%	Amount	x	Amount	×	l
1952	123.3	65.9	26.6	14.2	37.3	19.9	187.2
1956	143.1	73.9	36.2	18.7		7.4	193.7
1961	204.7	63.5	84.9	26.4	32.5	10.1	322.1
1966	407.9	65.5	183.0	29.4	31.5	5.1	622.4
1967	508.9	63.2		32.1		4.7	805.8
1968	568.5	62.9	293.1	32.5	41.7	4.6	903.3
1969	737.7	60.8	421.2	34.7		4.5	•
1970	957.6	62.8	492.5	32.3	73.9	4.9	1,524.0
1971	1,160.3	62.9	589.4	32.0	94.2	5.1	1,843.9
1972	1,588.7	63.2	782.1	31.1	142.7	5.7	2,513.5
1973	2,496.9	65.8	1,082.7	28.6	212.9	5.6	3,792.5
1974	4,345.2		2,142.8	30.7		6.9	6,965.8
1975	3,726.6		1,823.6	30.6	401.5	6.8	5,951.7
1976	4,920.4	64.7	2,209.0	29.1	469.5	6.2	7,598.9
1977	5,648.3	66.4	2,198.8	25.8	663.8	7.8	8,510.9
1978	7,551.1	68.5	2,724.5	24.7		6.8	11,026.9
1979	10,196.9	69.0	3,629.5	24.6	947.3	6.4	14,773.7
1980	13,967.9	70.8		23.4	1,142.2	5.8	19,733.1
1981	16,308.3	76.9		16.2	1,449.9	6.9	21,199.5
1982	14,251.7		3,083.1	16.3	1,553.7	8.2	18,888.5
1983	15,884.9	78.3	2,820.5	13.9	1,581.6	7.8	20,287.0
1984	17,270.1	78.6	2,990.9	13.6	1,698.2	7.8	21,959.2
1985	15,458.2	76.9	2,836.8	14.1	1,807.0	9.0	20,102.0
1986	18,270.2		3,615.4	15.0	2,279.2	9.4	24,164.8
1987	25,898.7		5,614.2		3,444.4	9.8	34,957.3
1988	36,586.4	73.7	7,386.2	14.9	5,683.1	11.4	49,655.7
1989	37,690.3	72.1	8,554.0	16.4	6,004.3	11.5	52,248.6
1990	38,541.8		9,585.6		6,588.4	12.1	
		,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		, 2,200.4		,,

Table 14	Major E	xport Marke	ts							Unit: US\$	Million
Country	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	×
Worth America	8,730.7	1 9 248 5	1 12 061 3	1 15 784 1	15 715 0	20 245 0	1 25 105 A	25,013.0	25.753.0	23,304.9	34.7
U.S.A.	8,163.1		11,333.7				23,636.7	23,431.0		21,745.9	32.4
Ceneda	567.6	•	727.6	916.3		1,271.5	1,558.9	1,582.0		1,558.5	2.3
Asia	6,559.9		6,482.5				15,122.0	19,885.2		25,692.6	38.2
Japan	2,478.7		2,477.1			4,559.1	6,978.2	8,762.1		8,337.7	12.4
HongKong	1,897.0						4,117.6	5,579.7		8,556.3	
Singapore	604.0									2,203.7	3.3
Indonesia	424.0									1,245.8	1.9
Koren	280.4	198.6								1,212.8	1.8
Philippines	280.3								776.6	811.4	1.2
Thailand	195.3				236.2					1,423.6	2.1
Malaysia	187.5				194.9					1,103.6	1.6
Others	212.7		266.2	238.7	265.9				667.0		1.2
Europe	2,874.4	2,595.7	2,761.2	3,063.8	2,996.5		7,887.2	9,877.0		12,233.4	18.2
Germany	910.6			870.9	807.3					3,197.7	4.7
U. K.	566.1						1,547.2			1,979.4	2.9
Wetherlands	386.8									1,856.2	2.8
France	278.4									1,131.7	1.7
Italy	214.8								868.5		1.5
Belgium	140.4								461.3		0.7
Switzerland	59.2							:	305.7	:	
East Europe	9.1		18.8	16.9	17.8	21.0	49.5	55.4	102.1	195.2	
Others	309.0			318.3	358.6	658.9	1,183.3	1,549.9	1,862.9	2,031.7	
Middle East	1,240.9	1,544.7	1,493.9	1,336.4	1,125.4	1,285.3	1,466.3		1,433.5	1,399.6	2.1
Saudi Arabia	606.6	719.3					703.5	629.0	555.6	459.4	
Others	634.3	825.4	733.7	608.7	535.4	659.0	762.8	845.5	877.9	940.2	1 1.4
Oceania	804.2	768.1	751.7	941.7			1,339.8	1,640.0	1,830.3	1,541.0	2.3
Australia	676.9	643.5	634.4	831.6	747.3	869.8	1,100.8	1,356.9	1,536.3	1,279.2	1 1.9
Others	127.3	124.6	117.3	110.1	155.1	175.8	239.0	283.1	294.0	261.8	
Africa	1,100.5									1,257.1	
Latin America	990.1			586.8	658.5	929.5	1,062.3			11,353.0	
Others	310.5	312.8	388.6	388.6	410.7	470.3	457.0	:		:	
Grand Total	22,611.2	22,204.3	25,122.7	30,456.4	30,725.7	39,849.3	53,611.7	60,585.4	66,201.1	67,214.4	

Table 15	Major Im	port Source	s							Unit: US\$	Million
Country	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	x
Asia	7,917.4	6,472.4	7,407.7	8,745.2	7,744.0	10.768.2	15,729.1	20,928.0	23,259.6	23,849.8	43.6
Japan	6,928.6	4,780.2	5,586.7	6,441.8	5,548.8	8,254.7	11,840.5	14,824.2	16,026.9	15,998.4	29.2
Malaysia	452.9	469.6	493.7	550.8	481.5	500.8	729.0	943.3	887.4	1,003.0	1.8
Hong Kong	308.9	307.4	298.8	370.4	319.7	378.7	753.8	1,921.7	2,204.8	1,445.9	2.6
Indonesia	467.1	259.5	344.5	423.0	413.8	357.3	567.2	613.4	706.1	921.6	1.7
Singapore	199.4	152.1	167.2	268.0		339.9	522.1	740.0	889.0	1,406.0	2.6
Korea	301.4	232.8	165.1	243.9	186.6	328.7	532.7	900.1	1,238.9	1,343.6	2.5
Theiland	117.5	107.0	74.5	140.0	146.9	162.9	200.4	341.9	390.0	447.9	8.0
Philippines	120.8	68.5	91.2	134.3	104.2	152.7	194.4	242.3	238.5	236.3	0.4
Others	75.2	95.3	185.9	94.2	266.6	292.5	389.0	401.1	678.0	1,047.0	2.0
North America	5,033.8	4,879.6	5,007.9	5,442.0	5,115.2	5,901.4	8,281.2	13,955.3	12,991.1	13,450.8	24.6
U.S.A.	4,765.7	4,563.2	4,646.4	5,041.6	4,746.2	5,415.8	7,629.5	13,002.0	11,995.1	12,611.8	23.0
Ceneda	268.1	316.4	361.5	400.4	369.0	485.6	651.7	953.3	996.0	839.0	1.6
Europe	1,965.9	2,115.7	2,270.2	2,361.1	2,453.6	3,235.9	5,275.5	7,996.4	8,378.8	9,585.8	17.5
Germany	649.0	790.3	695.8	771.7	848.5	1,146.4	1,665.0	2,203.5	2,661.2	2,716.1	5.0
U. K.	302.1	270.3	307.6	294.4	262.4	356.8	789.2	1,111.5	926.7	1,153.7	2.1
Wetherlands	132.1	157.7	217.1	248.7	221.3	323.6	455.9	898.0	663.2	728.6	1.3
France	187.7	315.1	347.8	222.4	251.7	313.1	473.6	649.6	793.8	1,131.6	2.1
Italy	195.0	187.5	179.8	222.0	234.5	272.9	442.2	650.2	789.1	817.4	1.5
Switzerland	190.5	105.2	135.4	149.1	139.7	205.0	463.4	1,027.9	830.0	1,200.5	2.2
Belgium	66.8	56.2	86.9	91.7	96.0	144.5	243.6	283.5	301.3	393.4	0.7
East Europe	14,-4	5.1	9.3	16.9	8.1	20.1	61.9	181.9	181.9	258.3	0.5
Others	228.3	228.3	290.6	344.3	391.4	453.5	680.7	990.3	1,231.6	1,186.2	2.1
Middle East	4,249.4	3,531.7	3,678.6	3,321.1	2,795.0	2,001.9	2,553.5	2,560.7	2,817.0	3,305.9	6.0
Saudi Arabia	1,797.3	1,968.5	1,925.5	1,971.2	1,361.0	910.0	1,075.3	1,237.0	1,375.5	1,539.2	2.8
Kuwait	2,244.4	1,281.5	1,132.5	727.6	670.8	443.0	730.2	489.4	434.5	369.0	0.6
Others	207.7		620.6	622.3	763.2	648.9	748.0	834.3	1,007.0	1,539.3	2.6
Oceanía	664.5	726.7	779.4	877.5	882.7	987.4	1,155.3	1,525.7	1,847.4	1,866.0	3.4
Australia	593.1	643.5	682.4	777.5	8.008	883.5	999.9	1,336.2	1,631.0	1,659.7	3.0
Others	71.4	83.2	97.0	100.0	02.0	103.9	155.4	189.5	216.4	206.3	3.4
Africa	727.6	539.6	541.6	504.9	1 1	600.9	1,023.7	1,262.0	1,173.5	1,220.5	2.2
Latin America	512.6	576.3	512.2	643.8	.7	573.0	770.5	1,310.5	1,652.2	1,332.8	2.4
Others	74.4	46.4	89.4	102.9	2.7	95.9	168.4	117.2	129.0	104.4	0.3
Grand Total	21,199.6	18,888.4	20,287.0	21,959.1	20,102.0	24,164.6	34,957.2	49,655.8	52,248.6	54,716.0	100.0

Table 16

Tariff Rate % Agricultural Products | Industrial Products Subtotal * Chapter (1-24) Chapter (25-97)

January 1991

Tariff Structure of Imported Goods

83 723 806 10.14 41.13 1-5 249 3024 3273 6-10 100 1650 1750 21.97 14.54 10.5-20 156 1004 1160 21-30 155 186 341 4.27 31-50 417 63 480 5.99 Specific 18 22 40 0.50 Mixed 74 22 96 1.20 Total 1252 6694 100.00 7946

Source: Department of Customs Administration, Ministry of Finance.

Table 17 Import Licensing System
As of 1st December, 1991

		The becomment, 1991
Import Regulations	Number of Items	Percentage over Total Numbers of Items
1. Items under Control	242	2.67 %
2. Items Permitted to be Imported	8,811	97.33 %
* Licensed by the BOFT	699	7.72 %
* Licensed by Lincesimg Units Authorized by the BOFT(such as Bank)	2,194	24.24 %
* Items Imported Without Permit	5,918	65.37 %
Total	9,053	100.00 %

Source: Board of Foreign Trade, Ministry of Economic Affairs.

Table 18 Per Capita Income of Farm and Non-Farm Family

1 1						amily Incom	
	1	Per Capita :	Income (US\$))	of Non-	-Farm Famil	ly Income
Year	Farm	Non-Farm	Employee	Laborer	Non-Farm	Employee	Laborer
Iear			Employee				
	(1)	(2)	(3)	(4)	(1)/(2)	(1)/(3)	(1)/(4)
1966	173	249	242	197	69.8%	71.7%	88.1%
1968	183	316	297	262	57.9%	61.7%	
1970			322	294	60.2%	63.9%	
	206	342					
1971	238	371	349	299	64.2% 66.5%	68.2%	
1972	290	436	411	365		70.5%	
1973	328	545	500	449	60.2%	65.7%	
1974	507	741	694	594	68.4%	73.1%	85.3%
1975	549	819	767	673	67.1%	71.6%	
1976	657	969	898	792	67.7%	73.2%	
1977	720	1,133	1,028	894	63.6%	70.0%	
1978	903	1,410	1,293	1,120	64.0%	69.9%	
1979	1,107	1,717	1,586	1,395	64.5%	69.8%	
1980	1,414	2,129	1,953	1,768	66.4%	72.4%	
1981	1,627	2,440	2,240	1,976	66.7%		
1982	1,729	2,546	2,367	2,100	67.9%	73.0%	82.3%
1983	1,915	2,678	2,482	2,211	71.5%	77.2%	86.6%
1984	1,995	2,921	2,714	2,380	68.3%	73.5%	83.8%
1985	2,098	3,040	2,820	2,513	69.0%	74.4%	83.5%
1986	2,372	3,251	3,015	2,701	73.0%	78.7%	87.8%
1987	2,614	3,601	3,341	2,995	72.6%	78.2%	87.3%
1988	3,019	4,130	3,831	3,467	73.1%	78.8%	87.1%
1989	3,500	4,824	4,464	4,014	72.5%		
1990	3,768	5,484	5,126	4,622	68.7%	73.5%	81.5%

Source: Department of Budget, Accounting & Statistics Taiwan Provincial Government

Table 19 Rediscount Rate and Prime Rate

Unit: %

Year	Rediscount Rate	Prime Rate (Bank of Taiwan)						
1983 1984 1985 1986 1987 1988 1989	7.25 6.75 5.25 4.50 4.50 4.50 7.75	8.50 8.00 7.00 6.25 6.25 6.75 10.50						

SOURCE: "Financial Statistics Monthly" CBC

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DANILL MATRICK MOTHINAN, NEW YORK MAX BAUCUS, MONTANA DAVID L BORGK OKLAHOMA BILL BRADLEY, NEW JERSEY GEORGE, WITCHEL JR. MICHIGAN DONALD W. REGLE, JR. MICHIGAN JOHN D. ROCKEPBLER IV. WEST VIRGINIA TOM OASCHIE, SOUTH DAKOTA JOHN D. ROCKEPBLER IV. WEST VIRGINIA TOM OASCHIE, SOUTH DAKOTA

BOB PACKWOOD OREGON BOB DOLE, KANSAS WILLIAM V. ROTH, JH. DELAWARE JOHN C. DANFORTH, MISSOURI JOHN H. CHAPEE, MIDDE! SLAND DAVE DURINBERGER, MINICSOTA STRVE SYMMS, IDAHO CHARLES E. GRASSLEY, IOWA OREN G. HATCH, UTAH

United States Senate

COMMITTEE ON FINANCE WASHINGTON, DC 20510-6200

VANDA B. MIGMURTRY, STAFF DIRECTOR AND CHIEF COUNSEL EDMUND J. MIRALEXI, MINDRITY CHIEF OF STAFF

September 28, 1992

Mr. Brent Scowcroft
Assistant to the President for National Security Affairs
Old Executive Office Building
17th St. & Pennsylvania Ave, N.W.
Washington, D.C. 20506

Dear Brent:

At the GATT Council meeting this week, the Council Chairman reportedly will announce the formation of a working group on Taiwan's GATT application.

The formation of the working group is merely the first step towards securing Taiwan's GATT membership. The Chairman's statement outlines the key issues to be resolved. It is a starting point, but fundamental issues remain outstanding. Throughout the upcoming months, it is critical that the United States assume a leadership role in supporting Taiwan.

Most importantly, the working party reports on Taiwan and the P.R.C. must be considered independently. The GATT is an organization of market economies. If the current bilateral trade talks between the United States and the P.R.C. are an indicator, it may take many years for the P.R.C. to reach a level of GATT compatibility. Taiwan should not have to wait.

Congressional support for Taiwan's GATT application is strong and bipartisan. It is outrageous that the P.R.C. -- not even a GATT member -- is allowed to exercise de facto veto power over Taiwan's membership.

Taiwan is the world's 13th largest trading nation. It is in the strong U.S. interest to bind Taiwan to the GATT's disciplines. I urge you to redouble your efforts in gaining Taiwan's accession to the GATT.

Sincerely,

cc: Ambassador Carla Hills Acting Secretary of State Lawrence Eagleburger

White House Staff and Office Files - Deborah Lehr Files (NSC)

Folder Title - GATT Working File: Taiwan [2]

Letter from Senator Max Baucus, Re: Taiwan and the GATT

Re: Taiwan and the GATT - Geneva developments

Re: Taiwan and the GATT - Cable from Geneva

Re: China and Taiwan and the GATT

Re: Proposed Skaggs resolution on Taiwan and the GATT

Re: Proposed statement admitting Taiwan into the GATT

Re: Taiwan and the GATT - Chinese position

Re: Taiwan and the GATT - Latest Chinese position

Re: Next steps on Taiwan GATT application

Memo on Taiwan and the GATT

Re: Taiwan and the GATT

Re: Response to PRC complaint on U.S. position on Taiwan and the GATT

Re: Meeting with PRC Ambassador Zhu on Taiwan GATT application

Letter from Chinese Foreign Minister Li Peng, Re: Taiwan GATT application

Correspondence from Nat Bellochi (AIT)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01. Memo	From Cecilia Klein to (USTR) to Barbara Schrage (State) and James Keith (NSC) RE: Latest developments from Geneva (Taiwan GATT) (1 pp.)	07/11/92	P-1, F-1, P-5	
			3	
	dential Records ecurity Council ehr Files		¥	
GATT Wo		OA/ID Num	ber CF01735 06/16/1999	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

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P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE		DATE	RESTRICTION	CLASS
02. Cable	From U.S. Mission, Geneva to Secretary of RE: Taiwan GATT Accession (2 pp.)	State	07/07/92	P-1, F-1, P-5	С
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	dential Records				
Deborah L	ehr Files				
	orking File: Taiwan [1]			ber CF01735	4
]	Date Closed	06/16/1999	+

RESTRICTION CODES

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- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Cable with cover sheet	From Secretary of State to U.S. Mission, Geneva RE: New GATT lines from Beijing (3 pp.)	07/07/92	P-1, F-1, P-5	С
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GATT Wo	N rking File: Taiwan [1]	OA/ID Num Date Closed	ber CF01735 06/16/1999	i,

RESTRICTION CODES

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F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. Memo	From Ann Griffiths to James Keith (NSC) RE: "Proposed" Skaggs resolution, etc. (2 pp.)	07/05/92	P-1, F-1, P-5	
	dential Records ecurity Council ehr Files		,	
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RESTRICTION CODES

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- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08. Proposed statement	Proposed statement by the Chairman of the Council on Taiwan admission to GATT (2 pp.)	03/30/92	P-1, F-1	
COLLECTION Rush Presi	dential Records		у.	
	ecurity Council			
FILE LOCATIO	N rking File: Taiwan [1]	OA/ID Num	ber CF01735	
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RESTRICTION CODES

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- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
11. Cable	From White House to Secretary of State RE: Taiwan and the GATT - Chinese Position (4 pp.)	03/10/92	P-1, F-1, P-5	С
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	dential Records ecurity Council ehr Files		,	
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RESTRICTION CODES

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- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
12. Cable	From U.S. Mission, Geneva to Secretary of State RE: Taiwan and the GATT: Latest Chinese reactions to draft chairman's statement (3 pp.)	03/04/92	P-1, F-1, P-5	С
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	dential Records ecurity Council ehr Files		,	

FILE LOCATION

GATT Working File: Taiwan [1]

OA/ID Number CF01735

Date Closed 06/16/1999

RESTRICTION CODES

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Freedom of Information Act - [5 U.S.C. 552(b)]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
16. Cable with cover sheet	From Secretary of State to U.S. Mission, Geneva RE: Next steps on Taiwan's GATT application (4 pp.)	02/12/92	P-1, F-1, P-5	С
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	dential Records ecurity Council ehr Files		,	
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RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
19. Memo with cover sheet	From Ambassador Rufus H. Yerxa to Carla Hills RE: Memorandum on Taiwan and the GATT (6 pp.)	01/27/92	P-1, F-1, P-5	С
COLLECTION	,			
	dential Records ecurity Council ehr Files		¥	
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
20. Memo	From James Keith (NSC) to Brent Scowcroft RE: Taiwan and the GATT (2 pp.)	01/22/92	P-1, F-1, P-5	С
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	dential Records ecurity Council ehr Files		,	
GATT Wo	N rking File: Taiwan [1]	OA/ID Num Date Closed	ber CF01735 06/16/1999	1

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
21. Draft cable	From Secretary of State to American Embassy, Beijing RE: Taiwan and the GATT: Response to PRC complaint about U.S. position (3 pp.)	01/15/92	P-1, F-1, P-5	С
	dential Records scurity Council ehr Files		,	
GATT Wo	rking File: Taiwan [1]	OA/ID Num	ber CF01735 06/16/1999	1

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
22b. Cable with cover sheet	From Secretary of State to AIT, Taipei RE: Asst. Secretary Solomon's meeting with PRC Ambassador Zhu on Taiwan's application to the GATT [SENT FOR AGENCY REFERRAL] (7 pp.)	01/18/92	P-1, F-1	S
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	dential Records ecurity Council ehr Files		,	
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		Date Closed	06/16/1999	

RESTRICTION CODES

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NSC/S PROFILE

RECORD ID: 9107994 RECEIVED: 30 OCT 91 17

TO: PRESIDENT

FROM: LI PENG

DOC DATE: 19 OCT 91

SOURCE REF:

KEYWORDS: CHINA P R

TAIWAN

HS

GATT

INTL TRADE

PERSONS:

SUBJECT: LTR TO PRES FM PREMIER LI PENG OF CHINA RE GATT

ACTION: PENDING STATE RECOMS

DUE DATE: 05 NOV 91

STATUS: D

STAFF OFFICER: STATE

LOGREF:

FILES: WH

NSCP:

CODES:

DOCUMENT DISTRIBUTION

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Case No. 99-0182-F

COMMENTS:				
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OPENED BY:	NSJEB	CLOSED BY:		DOC 1 OF 1

CONFIDENTIAL

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
23. Letter with cover sheets	From Premier Li Peng to POTUS RE: Recent developments in GATT postion [SENT FOR AGENCY REFERRAL] (8 pp.)	10/19/91	P-1, F-1	С
	dential Records ecurity Council ehr Files		,	
FILE LOCATION GATT Wo		OA/ID Num	ber CF01735	, .

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information |(a)(1) of the PRA|
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

06/16/1999

- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

USA-ROC ECONOMIC COUNCIL

1737 H Street N.W. Washington, DC 20006

Phone 202/331-8966 - Facsimile 202/331-8985

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Executive Committee

President George Bush The White House Washington, D.C. 20500

Dear Mr. President,

I am writing to suggest that two small adjustments in our policy toward Taiwan can contribute to improving the domestic U.S. economic situation without unduly affecting our relations with Beijing.

November 7, 1991

All of us share the Administration's concern about the economy and support your policy to promote economic recovery and job-creation. Taiwan's \$300 billion (U.S.) 6-year National Development Plan (1991-1996) seems to me to offer the biggest opportunity for business for U.S. firms in the world today. About one-third of it -- \$100 billion -- will be in foreign procurement, mostly in fields where the U.S. is strong: transportation, power and energy, telecommunications, and environment.

However, U.S. influence in Taiwan is not what it could be, despite the fact that there is still an enormous reservoir of goodwill for us by the Taiwan people and their government. The rest of the world has "discovered" Taiwan and courts its new wealth. Moreover, Taiwan is pursuing its own efforts to diversify its export markets and become less dependent on the United States. American companies face increasingly tough competition in Taiwan, especially from European firms which are benefiting from strong support of their governments which far surpasses our own. In the past year, several European countries — France in particular — have sent important business delegations to Taiwan headed by Cabinet officers who have made strong public statements supporting Taiwan's entry into the GATT, and lobbied for their firms pursuing major project contracts there.

The 29 members of our Board of Directors, 21 members of our Chairman's Circle and 370 member firms of our Council have asked me to write you urging stronger support of the efforts of U.S. business firms in Taiwan. They support two things, particularly:

.../2

1) stronger U.S. support of Taiwan's effort to join the GATT, and

 more travel by higher level officials, especially from U.S. economic agencies (Commerce, USTR, Transportation, Energy) in support of U.S. companies' pursuit of multibillion dollar major project contracts there.

With respect to GATT, American businessmen tell me they want to see a more demonstrative effort by the U.S. to assist Taiwan's entry because adherence to GATT rules by Taiwan will open their markets further thereby increasing the sale of U.S. products there. Moreover, the goodwill engendered by a truly active U.S. effort in support of Taiwan will help U.S. firms pursuing the multi-billion dollar projects in Taiwan being carried out under government auspices.

You have already made a decisive policy statement supporting Taiwan's application to join GATT in your July 19 letter to Senator Baucus. What remains to be done is to pursue that commitment by moving to ensure that a "working party" is established at the December GATT Council meeting to act on Taiwan's application. This is the required GATT procedure but it has not started. A circular cable from you or Secretary Baker to GATT Council members should accomplish that end.

As our 6th largest trading partner, the world's 13th largest trader, holder of the world's largest foreign exchange reserves, and by its progress over the last five years in reducing tariffs and allowing greater market access, Taiwan has earned a place at the GATT table. By applying under the name of the "Customs Territory of Taiwan, Penghu, Kinmen and Matsu" Taiwan has removed the cause for any major political objection from Beijing because they do not use the world "China". Taiwan applied for GATT entry almost two years ago. It is in the U.S.' and the world's interest that Taiwan be a member as soon as possible.

With respect to higher level travel to Taiwan, the French example (Minister of Industry) is the most notable. Italy has also sent their Minister of Public Works and the U.K. and Sweden have sent Under-Secretary level officials leading major trade delegations all in recent months. Germany, the Netherlands, and Belgium are planning to do so soon. Even the Soviet Union recently sent the Governor of their Central Bank to Taiwan. And small countries like Fiji and Papua New Guinea, both of whom also recognize Beijing, have had their Premiers or Foreign Ministers visit Taiwan despite Beijing's complaints.

Meanwhile, U.S. policy has been to allow only one Assistant Secretary level visit per year, usually from the Department of Commerce. This self-imposed restriction not only hurts us in the face of what other countries are doing, but if we continue to follow this outdated policy we risk losing billions of dollars in business to those countries following more common-sense guidelines.

Our Council joins the American Chamber of Commerce in Taipei in recommending a change of U.S. government guidelines on the level of executive branch travel to Taiwan. We believe Cabinet and sub-cabinet level officials of our economic agencies should be able to visit our sixth largest trading partner when the occasion calls for it.

Of course, Beijing will complain about both these moves but in the end will accept them. They complain about other countries sending cabinet officers to Taiwan but do nothing else because they cannot. There is little real cost involved in both gestures but the potential gains for U.S. business in Taiwan are substantial. Moreover, the leadership demonstrated by these actions will help us retain a position of influence in Taipei. Finally, as Carla Hills suggests, doing what is right in this area should help move the PRC to take the steps necessary to advance their own entry into the GATT and to adjust to the hard realities of the international trade environment.

We were very grateful when you authorized two Cabinet members to speak at our USA-ROC business meeting in Salt Lake City in September. Both Ed Derwinski and Secretary Skinner did excellent jobs and their presence was deeply appreciated by everyone and particularly by me. This is an excellent start.

I greatly appreciate your consideration of these matters.

With all best wishes,

Caspar W. Weinberger

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
27a, Memo	From Nat Bellochi (AIT) to Doug Paal RE: Taiwan and GATT (2 pp.)	10/24/91	P-1, F-1, P-5	S
	dential Records ecurity Council ehr Files)	

GATT Working File: Taiwan [1]

OA/ID Number CF01735

Date Closed

06/16/1999

RESTRICTION CODES

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STATEMENT TO AIT CHAIRMAN NATALE H. BELLOCCHI ON THE CURRENT SITUATION IN TAIWAN

On October 13, 1991, the Democratic Progressive Party of Taiwan passed a resolution proclaiming: "Based on the principle of national sovereignty, the establishment of the Republic of Taiwan with an independent sovereignty should be achieved through a plebescite of all the inhabitants according to their decision and choice."

The Taiwanese American organizations listed below believe that the Nationalist Party (the Kuomintang) has been irresponsible in its reaction to this resolution and has created a situation of chaos on the island. The KMT's arrest of ten people they accuse of advocating Taiwanese independence and the Nationalists' powerful propaganda have brought on social and economic unrest, symbolized by a dramatic drop in the Taiwanese stock market.

We also believe that those elements in the KMT who have been trying to move Taiwan closer to the People's Republic of China will use this situation of unrest to their own adva tage. We share the deep concern of most Taiwanese that Taiwan might be betrayed by these political forces in the KMT and sold out to the PRC.

Finally, we are of the firm belief that instability in Taiwan is not in the best interests of the United States of America.

Our organizations wish to express these strong feelings to you, Mr. Bellocchi, as Chairman of the Board and Managing Director of the American Institute in Taiwan, and hope that you will convey them to proper government officials.

Date: 10/22/91. Signed:

> Taiwanese Association of America HKa for MLT. Taiwanese Association of America - Greater Washington Chapter HKQ North America Taiwanese Professors' Association - DC/Baltimore Chapter Dotfield North American Taiwanese Medical Association - DC Chapter Medical for B Taiwan Foundation WC

Center for Taiwan International Relations JSL For DC. Formosan Association for Human Rights, Inc. North American Taiwanese Women's Association J & for H. H. H. DPP-America, Eastern Chapter & 7) for &HL

1. Chairman, Senate Committee on Foreign Relations

- - 2. Chairman, Senate Subcommittee on East Asian and Pacific Affairs
 - 3. Chairman, House Committee on Foreign Affairs
 - 4. Chairman, House Subcommittee on Asian and Pacific Affairs

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
27b. Memo	From Nat Bellochi for the record RE: Meeting with U.S. citizens on situation in Taiwan (1 pp.)	10/23/91	P-5	
	dential Records ecurity Council ehr Files		,	
FILE LOCATIO GATT Wo	N rking File: Taiwan [1]	OA/ID Num	ber CF01735	-

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- purposes |(b)(7) of the FOIA|
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- financial institutions [(b)(8) of the FOIA] F-9 Release would disclose geological or geophysical information
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White House Staff and Office Files - Deborah Lehr Files (NSC)

Folder Title - Taiwan

Nations maintaining diplomatic relations with Taiwan as of 10 December 1992

Chinese media reaction to USTR Carla Hills visit

Re: Taiwan political developments Re: Lee Kuan Yew's trip to China

Letter from Deborah Lehr to Hon. Stephen J. Solarz, Re: Taiwan

Re: Taiwan and North Korea

Re: Taiwan and membership in INTERPOL

Re: Michael Kao Ying-Mao Re: Dragon Gate nuclear project

Re: Ding Mou-Shih

Nat Bellochi meeting with Ding Mou-Shih

Re: Taiwan foreign policy Re: Taiwan foreign policy

AIT list of companies with an interest in Taiwan

C. Nations maintaining diplomatic relations with Taiwan (29)

Bahamas, The

Belize

Central African Republic

Costa Rica¹⁹ Dominica

Dominican Republic

El Salvador

Grenada

Guatemala

Guinea-Bissau

Haiti

Holy See

Honduras

Lesotho

Liberia

Malawi Nauru

Nicaragua

Niger

Panama²⁰

Paraguay

Saint Kitts and Nevis

Saint Lucia

Saint Vincent and the Grenadines

Solomon Islands²¹

South Africa

Swaziland

Tonga

Tuvalu

UNCLASSIFIED

NATIONAL SECURITY COUNCIL

04-Dec-1992 09:23 EDT

MEMORANDUM FOR:

PAAL@OEOB@MRGATE

FROM:

VMSMail User RAGLE (RAGLE@OEOB@MRGATE)

SUBJECT:

<CLAS>UNCLASSIFIED<DTG>030833Z DEC 92 <ORIG>AIT TAIPEI <SUBJ>TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA HILLS

<TEXT>

UNCLAS SECTION 01 OF 09 TAIPEI 08508 AIT/W PASS STATE, NSC, USTR AND USIA STATE FOR EAP/RA/TC NSC FOR PAAL USTR FOR CASSIDY AND LYDON

USIA FOR EA

E.O. 12356: N/A

TAGS: PREL, ECON, TW, US

SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA HILLS

- STORIES:
- 1. CARLA HILLS SPEAKS AT JOINT BUSINESS CONFERENCE
- PREMIER HAU, VINCENT SIEW SPEAK ON FUTURE 2. U.S.-TAIWAN TRADE TIES
- 3. BUSH, LEE SEND CONGRATULATORY MESSAGES TO BUSINESS CONFERENCE
- 4. PRESIDENT LEE MEETS WITH USTR CARLA HILLS
- PREMIER HAU THANKS HILLS FOR HELP IN JOINING INTERNATIONAL FORUMS
- HILLS DISCUSSES TRANSPORTATION PROJECTS WITH 5. MINISTER EUGENE CHIEN
- 7. HILLS URGES COA TO FURTHER LOWER TARIFFS ON FARM PRODUCTS
- HILLS TO CONVEY AMCHAM MEMBERS' CONCERNS TO 3. TAIWAN AUTHORITIES
- Э. TREASURY'S JAMES FALL MEETS WITH MOF AUTHORITIES ON BANKING ISSUES
- LO. SAMUEL SHIEH CALLS U.S. EXCHANGE RATE REPORT UNFAIR
- AIT SURPRISED TO SEE TTWMB BURN ONLY SMUGGLED U.S. CIGARETTES
- .2. U.S.-TAIWAN IPR TALKS TO BEGIN TOMORROW

- LOCAL COMPANIES PROTEST U.S. REQUEST ON PHARMACEUTICAL PATENTS
- 14. PRESIDENT LEE MEETS THREE U.S. CONGRESSMEN
- DPP CHAIRMAN DISCUSSES F-16 SALE, HUMAN RIGHTS WITH U.S. SENATORS
- 16. CRANSTON: CLINTON ADMINISTRATION WILL FOLLOW POLICY OF ENGAGEMENT
- 17. UDN COMMENTS ON PRESS RESTRICTIONS DURING HILLS VISIT
- 18. CMT: U.S. MOVES TO FIX ECONOMY WILL AFFECT TRADE TIES WITH TAIWAN
- APEC MEETING ALLOWS MOFA AUTHORITIES TO ENTER STATE DEPARTMENT

(NOTE TO ADDRESSEES: ARTICLES IN THE MEDIA SUMMARY ARE DRAWN FROM THE CHINESE-LANGUAGE MEDIA IN TAIWAN. THEY ARE USUALLY EXCERPTS OR SUMMARIES OF THE ORIGINAL ARTICLES RATHER THAN FULL TEXTS. ARTICLES ARE SELECTED ON THE BASIS OF THEIR POTENTIAL INTEREST TO AIT. IN SELECTING ARTICLES, THE INFORMATION UNIT MAKES NO JUDGMENT ABOUT THE VERACITY OF NEWS REPORTS. TERMINOLOGY USED AND FACTS AND OPINIONS EXPRESSED IN THE ARTICLES ARE THOSE OF THE ORIGINAL WRITERS, NOT OF THE AMERICAN INSTITUTE IN TAIWAN.)

1. CARLA HILLS SPEAKS AT JOINT BUSINESS CONFERENCE

- CHINA TIMES, "U.S., TAIWAN TO SIGN TRADE AND INVESTMENT FRAMEWORK AGREEMENT SOON," DEC. 2; ALSO ALL PAPERS:

DURING HER REMARKS DELIVERED AT THE ROC-USA JOINT BUSINESS CONFERENCE YESTERDAY, U.S. TRADE REPRESENTATIVE CARLA HILLS SAID THAT THE U.S. GOVERNMENT STRONGLY DESIRES SIGNING A BILATERAL TRADE AND INVESTMENT FRAMEWORK AGREEMENT WITH TAIWAN. ACCORDING TO HILLS, A FORMAL BILATERAL TRADE AND INVESTMENT COUNCIL COMPRISED OF SENIOR AUTHORITIES FROM BOTH NATIONS WILL BE ESTABLISHED UNDER THIS AGREEMENT TO CONDUCT REGULAR CONSULTATIONS AND TO PUSH FOR THE OPENING OF MARKETS. HILLS ALSO POINTED OUT IN HER SPEECH THAT U.S. REGIONAL EFFORTS TO LIBERALIZE TRADE DO NOT SIGNAL A RETREAT FROM ITS SUPPORT OF THE MULTILATERAL TRADING SYSTEM, WHICH HAS BEEN IMPLEMENTED FOR OVER 40 YEARS. THE GOAL OF THE U.S. IS TO REDUCE TRADE BARRIERS WHEREVER AND WHENEVER IT CAN. THE U.S. WILL DO ALL IT CAN TO OPEN MARKETS AND IT WANTS TAIWAN TO WORK WITH IT TO ACHIEVE THIS GRAND GOAL, HILLS SAID. (IC) JNCLAS SECTION 02 OF 09 TAIPEI 08508 AIT/W PASS STATE, NSC, USTR AND USIA STATE FOR EAP/RA/TC

NSC FOR PAAL

JSTR FOR CASSIDY AND LYDON

USTA FOR EA

E.O. 12356: N/A

TAGS: PREL, ECON, TW, US

SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA

- INDEPENDENCE MORNING POST, "HILLS' SPEECH
CONTAINS MESSAGE OF SEEING TAIWAN AS AN ENTITY,"
DEC. 3:

DURING HER REMARKS MADE AT THE JOINT BUSINESS CONFERENCE YESTERDAY, HILLS ONLY MENTIONED THE ISLAND OF TAIWAN AS SHE TALKED ABOUT BILATERAL RELATIONS BETWEEN THE TA NATIONS.

WE CAN TELL FROM HILLS' SPEECH THAT HER VIEW OF WASHINGTON-TAIPEI TIES ONLY FOCUSES ON THE ISLAND OF TAIWAN. SHE SKIPPED OVER ALL PAST RELATIONS BETWEEN THE U.S. AND THE NATIONALIST GOVERNMENT AND JUMPED DIRECTLY TO TAIWAN'S ECONOMIC GROWTH OVER THE PAST 30 YEARS. HILLS' SPEECH TO SOME EXTENT REVEALS WASHINGTON'S ATTITUDE OF DEFINING TAIWAN AS AN ENTITY IN U.S.-TAIPEI RELATIONS. (IC)

 PREMIER HAU, VINCENT SIEW SPEAK ON FUTURE U.S.-TAIWAN TRADE TIES

- CHINA TIMES, "HAU, SIEW BELIEVE CLINTON'S NEW ECONOMIC POLICIES WILL BE FAVORABLE FOR WASHINGTON-TAIPEI TRADE RELATIONS," DEC. 3; ALSO ALL PAPERS:

DURING THEIR SPEECHES DELIVERED AT THE ROC-USA JOINT BUSINESS CONFERENCE YESTERDAY, BOTH PREMIER HAU PEI-TSUN AND MINISTER OF ECONOMIC AFFAIRS VINCENT SIEW SAID THAT THE NEW ECONOMIC POLICIES THAT WILL BE IMPLEMENTED AFTER BILL CLINTON ASSUMES OFFICE WILL HELP REVIVE GLOBAL ECONOMIC PROSPECTS. BOTH HAU AND SIEW EXPECT THAT CLINTON WILL PLACE A STRONGER EMPHASIS ON U.S. ECONOMIC POLICY. THIS WILL BE FAVORABLE FOR THE DEVELOPMENT OF TRADE RELATIONS BETWEEN TAIPEI AND WASHINGTON, THEY SAID. (IC)

 BUSH, LEE SEND CONGRATULATORY MESSAGES TO BUSINESS CONFERENCE

- CHINA TIMES, "PRESIDENT LEE, PRESIDENT BUSH WRITE CONGRATULATORY MESSAGES DELIVERED TO USA-ROC ECONOMIC COUNCIL MEETING," DEC. 3:
U.S. PRESIDENT GEORGE BUSH, IN HIS WRITTEN
CONGRATULATORY MESSAGE DELIVERED TO THE ROC-USA AND USA-ROC ECONOMIC COUNCILS' ANNUAL CONFERENCE, SAID HE EXPECTED TAIWAN TO REALIZE ITS NEW ROLE AS A DEVELOPED COUNTRY WHEN IT ACCEDES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE. IN HIS MESSAGE, READ AT THE CONFERENCE'S OPENING PLENARY SESSION, BUSH AFFIRMED THE POSITIVE IMPACT OF THE CONFERENCE ON TAIPEI-WASHINGTON RELATIONS.

PRESIDENT LEE TENG-HUI ALSO DELIVERED A WRITTEN MESSAGE TO THE MEETING. LEE SAID TAIWAN-U.S. ECONOMIC AND TRADE RELATIONS HAVE CONTINUED TO GROW IN A STABLE AND MUTUALLY BENEFICIAL MANNER. THE BILATERAL TRADE IMBALANCE AND MANY OTHER RELATED ISSUES HAVE BEEN ADDRESSED THOUGH THE JOINT EFFORTS OF THE TWO COUNTRIES, THE PRESIDENT SAID. HE SAID HE HOPES THE CONFERENCE CAN PRODUCE A CONSENSUS ON ECONOMIC AND TRADE ISSUES AS WELL AS ON FUTURE COOPERATION BETWEEN THE TWO COUNTRIES. (KC)

PRESIDENT LEE MEETS WITH USTR CARLA HILLS

- UNITED DAILY NEWS, FRONT PAGE LEAD, "PRESIDENT LEE RECEIVES USTR HILLS," DEC. 3:
PRESIDENT LEE TENG-HUI TOLD VISITING U.S. TRADE UNCLAS SECTION 03 OF 09 TAIPEI 08508
AIT/W PASS STATE, NSC, USTR AND USIA STATE FOR EAP/RA/TC
NSC FOR PAAL USTR FOR CASSIDY AND LYDON USIA FOR EA E.O. 12356: N/A

SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA REPRESENTATIVE CARLA HILLS THAT TAIWAN WOULD LIKE TO FURTHER STRENGTHEN COMMERCIAL AND TRADE RELATIONS WITH THE U.S. LEE SAID THAT TAIWAN WILL WATCH

CLOSELY FOR ANY ECONOMIC POLICY CHANGES BY THE CLINTON ADMINISTRATION IN ORDER TO FACILITATE BILATERAL COOPERATION.

TAGS: PREL, ECON, TW, US

IN THE HIGHEST-LEVEL FORMAL CONTACT IN YEARS, LEE HELD A LUNCHEON FOR HILLS YESTERDAY. IN THEIR DISCUSSIONS, LEE EMPHASIZED THAT HILLS' VISIT IS "AN IMPORTANT EVENT FOR U.S.-TAIWAN RELATIONS."

LEE SAID THAT THE U.S. GOVERNMENT IS CONCERNED ABOUT TAIWAN'S PROTECTION OF INTELLECTUAL PROPERTY RIGHTS, MARKET LIBERALIZATION MEASURES AND AMERICAN PARTICIPATION IN THE SIX-YEAR PLAN. THE PRESIDENT SAID THAT TAIWAN WILL COMPLETELY COOPERATE WITH THE U.S. IN THESE AREAS. HE SUGGESTED THE U.S. INCREASES HIGH-TECH EXPORTS TO TAIWAN IN LIGHT OF THE EXPANSION OF LOCAL PRIVATE INVESTMENT. HE SAID THE TRADE ACTION PLAN HAS BEEN SUCCESSFULLY IMPLEMENTED AND THE BILATERAL TRADE IMBALANCE HAS BEEN REDUCED GREATLY.

LEE THANKED THE U.S. FOR SELLING TAIWAN F-16 FIGHTERS. HE EMPHASIZED THAT TAIWAN IS ONLY PURCHASING THE FIGHTERS FOR DEFENSIVE PURPOSES. HE SAID THAT TAIWAN DOES NOT WANT TO CREATE ANY TENSION ON THE TAIWAN STRAIT. (SK)

PREMIER HAU THANKS HILLS FOR HELP IN JOINING INTERNATIONAL FORUMS

UNITED DAILY NEWS, "PREMIER HAU THANKS HILLS FOR CONTRIBUTIONS OF AMERICAN FRIENDS; HOPES U.S. WILL SUPPORT TAIWAN TO ENTER INTERNATIONAL TRADE ORGANIZATIONS, " DEC. 3:

IN HIS MEETING WITH U.S. TRADE REPRESENTATIVE CARLA HILLS, PREMIER HAU PEI-TSUN SAID THAT U.S. SUPPORT FOR TAIWAN'S EFFORTS TO JOIN INTERNATIONAL ECONOMIC AND TRADE ORGANIZATIONS IS VERY BENEFICIAL FOR THE PROSPERITY AND DEMOCRATIC DEVELOPMENT OF THE ENTIRE REGION.

HAU SAID THAT TAIWAN THANKS FORMER PRESIDENT RONALD REAGAN AND PRESIDENT GEORGE BUSH FOR SMOOTH AND CLOSE EXCHANGES UNDER THE CURRENT FRAMEWORK OF U.S.-TAIWAN RELATIONS. HE SAID THAT TAIWAN IS COMMITTED TO IPR PROTECTION IN ACCORDANCE WITH U.S.-TAIWAN AGREEMENTS. THE GOAL IS COMPLIANCE WITH WORLD STANDARDS, HAU SAID. HE SAID THE NEXT TWO TO THREE YEARS WILL BE THE PEAK TIME FOR IMPLEMENTING THE SIX-YEAR PLAN. HE SUGGESTED THAT U.S. AND TAIWAN MANUFACTURERS BID JOINTLY FOR THE PROJECTS. (SK)

HILLS DISCUSSES TRANSPORTATION PROJECTS WITH MINISTER EUGENE CHIEN

CHINA TIMES, "HILLS CALLS ON MOTC; EXPRESSES INTENTION TO PARTICIPATE IN SIX-YEAR PLAN, " DEC. 3: USTR CARLA HILLS VISITED THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS YESTERDAY, EXPRESSING ON BEHALF OF U.S. FIRMS STRONG INTEREST IN PARTICIPATING IN THE SIX-YEAR NATIONAL DEVELOPMENT PLAN. UNCLAS SECTION 04 OF 09 TAIPEI 08508 AIT/W PASS STATE, NSC, USTR AND USIA STATE FOR EAP/RA/TC NSC FOR PAAL

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USIA FOR EA

E.O. 12356: N/A

TAGS: PREL, ECON, TW, US

SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA MINISTER OF TRANSPORTATION AND COMMUNICATIONS EUGENE CHIEN SAID THAT HILLS ALSO SUGGESTED THAT TAIWAN SPEED UP LIBERALIZATION OF ITS INLAND TRANSPORTATION, TELECOMMUNICATIONS, AND AIR CARGO HANDLING MARKETS. CHIEN SAID THAT HE TOLD HILLS THAT TAIWAN WELCOMES FOREIGN COUNTRIES, INCLUDING THE U.S., TO PARTICIPATE IN THE HIGH-TECH PORTIONS OF THE SIX-YEAR PLAN.

CHIEN SAID THAT HILLS COMPLAINED ABOUT TAIWAN'S SLOW PROGRESS IN TRANSFORMING THE ISLAND INTO AN AISAN-PACIFIC AIR TRANSPORTATION HUB. SHE SAID THAT FEDERAL EXPRESS HAS BEEN TRYING TO OPERATE IN TAIWAN FOR A LONG TIME. BUT TAIWAN HAS ONLY JUST COMPLETED REVIEWING THE CKS AIRPORT EXPANSION PLAN. (SK)

 HILLS URGES COA TO FURTHER LOWER TARIFFS ON FARM PRODUCTS

 CHINA TIMES, "HILLS PAYS VISIT TO COA; URGES TAIWAN TO LOWER TARIFFS ON AGRICULTURAL IMPORTS," DEC. 3:

WHILE MEETING WITH OFFICIALS OF THE COUNCIL OF AGRICULTURE YESTERDAY, USTR CARLA HILLS SAID THE U.S. IS WILLING TO ASSIST TAIWAN TO ENTER THE GATT, BUT TAIWAN MUST FIRST TAKE PROPER ACTIONS TO REDUCE ITS TARIFFS ON AGRICULTURAL IMPORTS. HILLS EXPRESSED SERIOUS CONCERN ON MANY OF TAIWAN'S TARIFF REGULATIONS RELATED TO IMPORTS OF AGRICULTURAL PRODUCTS.

ACCORDING TO COA SECRETARY-GENERAL WU TUNG-CHUAN, IN ACCORDANCE WITH A SCHEDULE OUTLINED IN THE "TRADE ACTION PLAN," HIS COUNCIL HAS REDUCED TARIFFS ON AGRICULTURAL PRODUCTS OVER THE PAST FOUR YEARS. AS FOR THE REMAINING HIGH TARIFFS ON SOME AGRICULTURAL IMPORTS WHICH USTR HILLS WAS CONCERNED ABOUT, COA HAS ESTABLISHED A "GATT TASK FORCE" TO STUDY THE SCOPE AND TIMING OF FURTHER TARIFF REDUCTIONS.
MEANWHILE, COA DIRECTOR-GENERAL SUN MING-HSIEN ALSO EXPRESSED HIS SERIOUS CONCERN TO HILLS OVER U.S. DELAYS IN ALLOWING TAIWAN TO EXPORT MANGOS AND LICHEES TO THE U.S. (JH)

8. HILLS TO CONVEY AMCHAM MEMBERS' CONCERNS TO TAIWAN AUTHORITIES

- CHINA TIMES, "U.S. WILL ESTABLISH ASIAN ENVIRONMENTAL CENTER IN TAIWAN BY EEARLY NEXT YEAR," DEC. 3:

USTR CARLA HILLS MET WITH KEY MEMBERS OF THE TAIPEI AMERICAN CHAMBER OF COMMERCE AT A BREAKFAST MEETING YESTERDAY MORNING.

AMCHAM PRESIDENT JAMES O'HEARN TOLD HILLS THAT IN ORDER TO ACCOMODATE PRESIDENT BUSH'S "U.S.-ASIA ENVIRONMENTAL PARTNERSHIP" PROGRAM, WHICH WAS LAUNCHED BY BUSH DURING VISITS TO SEVERAL ASIAN COUNTRIES IN JANUARY, THE U.S. WILL ESTABLISH AN OFFICIALLY-SPONSORED "ASIAN ENVIRONMENTAL CENTER" ON TAIWAN BY EARLY NEXT YEAR. IN ADDITION TO AIT AND AMCHAM, KEY SPONSORS WILL ALSO INCLUDE THE CHINA TRUST AND INVESTMENT COMPANY. THE U.S. COMMERCE DEPARTMENT WILL PROVIDE MOST OF THE FUNDS FOR CREATION OF THE CENTER.

AMERICAN BUSINESSMEN SAID THEY HOPE HILLS WILL URGE THE TAIWAN AUTHORITIES TO MAKE BIDDING ON ALL MAJOR PROJECTS MORE TRANSPARENT SO THAT AMERICAN FIRMS ARE ASSURED OF FAIR OPPORTUNITIES FOR COMPETITION.

ASIAN-PACIFIC AMCHAM EXECUTIVE DIRECTOR ROBERT IRICK UNCLAS SECTION 05 OF 09 TAIPEI 08508 AIT/W PASS STATE, NSC, USTR AND USIA STATE FOR EAP/RA/TC NSC FOR PAAL USTR FOR CASSIDY AND LYDON USIA FOR EA E.O. 12356: N/A TAGS: PREL, ECON, TW, US SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA SAID AMERICAN BUSINESSMEN BELIEVE THAT TAIWAN'S CURRENT BIDDING REGULATIONS FAVOR JAPANESE FIRMS, DESPITE TAIWAN'S HUGE TRADE DEFICIT WITH JAPAN. IRICK ADDED THAT THE TAIWAN GOVERNMENT HAS SET VAGUE RESTRICTIONS ON THE SERVICES AND HIGH-TECH INDUSTRIES. SINCE THE U.S. IS A COUNTRY THAT EMPHASIZES "CLEAR RULES OF THE GAME," THE TAIWAN GOVERNMENT'S PRACTICES HURT ALL AMERICAN FIRMS. IN RESPONSE, HILLS SAID SHE WOULD CONVEY THEIR CONCERNS TO PRESIDENT LEE AND PREMIER HAU. (JH) _____

 TREASURY'S JAMES FALL MEETS WITH MOF AUTHORITIES ON BANKING ISSUES

----- COMMERCIAL TIMES, "U.S.-TAIWAN FINANCIAL TALKS; WE URGE U.S. TO ALLOW ESTABLISHMENT OF BANK BRANCHES IN U.S., " DEC. 3: U.S. DEPUTY ASSISTANT SECRETARY OF THE TREASURY JAMES FALL III MET YESTERDAY WITH THE HEAD OF THE MINISTRY OF FINANCE'S BUREAU OF MONETARY AFFAIRS CHEN MU-TSAI FOR FINANCIAL TALKS. CHEN ASKED THE U.S. TO IMPROVE THE SITUATION INVOLVING TAIWAN BANKS' APPLICATIONS TO ESTABLISH BRANCHES IN THE UNITED STATES. FALL PROMISED TO RELAY THE MESSAGE TO THE FEDERAL RESERVE BOARD, WHICH HAS AUTHORITY OVER SUCH MATTERS. THE U.S. SIDE TOUCHED ON SIX MAJOR ISSUES: THE U.S. SIDE SOUGHT INFORMATION ON TAIWAN'S PLANS TO BECOME A REGIONAL FINANCIAL CENTER. THE U.S. SIDE ASKED TAIPEI TO REMOVE OR EASE RULES LIMITING THE LOCAL NT DOLLAR DEPOSITS OF FOREIGN BANK BRANCHES IN TAIWAN TO 15 TIMES THE BRANCH'S CAPITAL BROUGHT IN FROM ABROAD. THE TAIWAN SIDE REJECTED THE REQUEST, SAYING THE LIMIT HAD ALREADY BEEN LOWERED TWO YEARS AGO. 3. THE U.S. SIDE ASKED TAIWAN TO EASE RESTRICITIONS ON THE NUMBER OF A FOREIGN BANK'S BRANCHES IN

- 3. THE U.S. SIDE ASKED TAIWAN TO EASE RESTRICITIONS ON THE NUMBER OF A FOREIGN BANK'S BRANCHES IN TAIWAN. THE TAIWAN SIDE DID NOT GIVE A FIRM REPLY ON THIS ISSUE.
- 4. THE U.S. SIDE REQUESTED THAT TAIWAN ALLOW FOREIGN BANKS TO ESTABLISH SUBSIDIARIES IN TAIWAN TO ENGAGE IN STOCKS AND BONDS BUSINESS. THE TAIWAN SIDE SAID THIS FALLS UNDER THE AUTHORITY OF THE SECURITIES AND EXCHANGE COMMISSION, NOT THE BUREAU

OF MONETARY AFFAIRS.

5. THE U.S. SIDE REQUESTED TAIWAN ALLOW THE TRADING OF MORE FINANCIAL INSTRUMENTS, SPECIALLY THOSE FOR FOREIGN EXCHANGE. THE TAIWAN SIDE REPLIED THAT THE ISSUE IS NOW BEING STUDIED BY THE MINISTRY.

6. THE U.S. SIDE ASKED FOR A RELAXATION OF THE LIMIT ON FOREIGN BANKS' FOREIGN EXCHANGE DEFICIT BALANCES. THE TAIWAN SIDE REPLIED THAT THIS FALLS UNDER THE AUTHORITY OF THE CENTRAL BANK OF CHINA.

(KC)

- SAMUEL SHIEH CALLS U.S. EXCHANGE RATE REPORT UNFAIR
- ECONOMIC DAILY NEWS, "SAMUEL SHIEH: U.S. EXCHANGE RATE REPORT UNFAIR, " DEC. 3: CENTRAL BANK OF CHINA GOVERNOR SAMUEL SHIEH SAID THAT THE U.S. EXCHANGE RATE REPORT RELEASED YESTERDAY WAS UNFAIR TO ACCUSE TAIWAN OF UNCLAS SECTION 06 OF 09 TAIPEI 08508 AIT/W PASS STATE, NSC, USTR AND USIA STATE FOR EAP/RA/TC NSC FOR PAAL USTR FOR CASSIDY AND LYDON USIA FOR EA E.O. 12356: N/A TAGS: PREL, ECON, TW, US SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA MANIPULATING THE NT DOLLAR EXCHANGE RATE. UNITED DAILY NEWS, "YU CHENG TO MEET FALL TODAY, " DEC. 3: DEPUTY GOVERNOR OF THE CENTRAL BANK OF CHINA YU CHENG IS SCHEDULED TO DISCUSS EXCHANGE RATE ISSUES TODAY WITH U.S. DEPUTY ASSISTANT SECRETARY OF THE TREASURY JAMES FALL III. (KC)
- 11. AIT SURPRISED TO SEE TTWMB BURN ONLY SMUGGLED U.S. CIGARETTES

- LIBERTY TIMES, "AIT UNHAPPY; WONDERS WHY ALL THE SMUGGLED CIGARETTES ARE U.S.-MADE PRODUCTS,"

 DEC. 3:
 THE TAIWAN TOBACCO AND WINE MONOPOLY BUREAU (ESTERDAQ DRNED CONFISCATED SMUGGLED CIGARETTES DURING USTR CARLA HILLS' VISIT. OFFICIALS OF THE AMERICAN INSTITUTE IN TAIWAN WERE SURPRISED TO FIND THAT ALL OF THE SMUGGLED CIGARETTES BURNED YESTERDAY WERE U.S. PRODUCTS. AIT OFFICIALS COULD NOT JNDERSTAND WHY NO SMUGGLED JAPANESE CIGARETTES WERE BURNED, SINCE JAPANESE CIGARETTES ACCOUNT FOR 80 PERCENT OF ALL CIGARETTES SMUGGLED INTO TAIWAN. (ML)
- 2. U.S.-TAIWAN IPR TALKS TO BEGIN TOMORROW

- CHINA TIMES, "U.S., TAIWAN TO BEGIN IPR TALKS TOMORROW," DEC. 3; ALSO COMMERCIAL TIMES: THIS YEAR'S LAST ROUND OF TAIPEI-WASHINGTON TALKS ON INTELLECTUAL PROPERTY RIGHTS WILL BEGIN TOMORROW IN TAIPEI. THE U.S. SIDE HAS PRESENTED EIGHT ISSUES FOR THE AGENDA. INSPECTION OF TAIWAN'S COMPUTER SOFTWARE EXPORTS, COPYRIGHT ISSUES AND RETROACTIVE PATENT PROTECTION FOR U.S. PHARMACEUTICAL AND AGROCHEMICAL PRODUCTS IN TAIWAN WILL BE THE FOCUS OF THE TALKS, SOURCES SAID. (IC)

 LOCAL COMPANIES PROTEST U.S. REQUEST ON PHARMACEUTICAL PATENTS

- UNITED DAILY NEWS, "TMMA PROTESTS TO U.S.
AGAINST RETROACTIVE PROTECTION FOR PHARMACEUTICAL
PATENTS," DEC. 3:
THE TAIWAN MEDICINE MANUFACTURERS ASSOCIATION ISSUED
A STATEMENT YESTERDAY PROTESTING AGAINST A POSSIBLE
SECTION 301 THREAT TO OBTAIN RETROACTIVE PATENT
PROTECTION FOR U.S. PHARMACEUTICAL PRODUCTS. THE
ASSOCIATION ALSO CRITICIZED A PLAN BY THE MINISTRY
OF ECONOMIC AFFAIRS TO REVISE THE PATENT LAW. THE
TMMA SAID THAT IT PLANS TO STAGE A MASS
DEMONSTRATION DURING U.S.-TAIWAN PHARMACEUTICAL
CONSULTATIONS. (SK)

14. PRESIDENT LEE MEETS THREE U.S. CONGRESSMEN

- INDEPENDENCE MORNING POST, "LEE MEETS THREE U.S. CONGRESSMEN," DEC. 3:
PRESIDENT LEE TENG-HUI SAID YESTERDAY THAT
WASHINGTON'S SUPPORT FOR TAIPEI JOINING THE ASIA
PACIFIC ECONOMIC COOPERATION FORUM LAST YEAR MEANT A
GREAT DEAL TO TAIWAN AND THE ASIA PACIFIC REGION.
LEE MADE THE REMARKS WHEN RECEIVING THREE VISITING
UNCLAS SECTION 07 OF 09 TAIPEI 08508
AIT/W PASS STATE, NSC, USTR AND USIA
STATE FOR EAP/RA/TC

NSC FOR PAAL

USTR FOR CASSIDY AND LYDON

USIA FOR EA

E.O. 12356: N/A

TAGS: PREL, ECON, TW, US

SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA U.S. CONGRESSMEN YESTERDAY -- REPRESENTATIVES BOB SMITH, DAN BURTON AND ROY ROWLAND. (IC)

15. DPP CHAIRMAN DISCUSSES F-16 SALE, HUMAN RIGHTS WITH U.S. SENATORS

⁻ INDEPENDENCE MORNING POST, "DPP CHAIRMAN MEETS

U.S. SENATORS AT BREAKFAST MEETING; DPP SUPPORTS

U.S. SELLING F-16 FIGHTERS TO TAIWAN, " DEC. 3:

DDP CHAIRMAN HSU HSIN-LIANG MET WITH U.S. SENATORS ALAN CRANSTON (D-CALIF.) AND FRANK H. MURKOWSKI (R-ALASKA) YESTERDAY. HSU TOLD THE TWO VISITING U.S. SENATORS THAT ALTHOUGH HIS PARTY ADVOCATES CUTTING TAIWAN'S DEFENSE BUDGET, IT BELIEVES TAIWAN STILL NEEDS A STRONG AIR AND COASTAL DEFENSE. THEREFORE, THE DPP FULLY SUPPORTS THE U.S. SALE OF F-16 FIGHTERS TO TAIWAN.

THE TWO SENATORS REPORTEDLY ALSO DISCUSSED THE FAIRNESS OF TAIWAN'S ELECTIONS AND HUMAN RIGHTS WITH

16. CRANSTON: CLINTON ADMINISTRATION WILL FOLLOW POLICY OF ENGAGEMENT

THE DPP CHAIRMAN. (JH)

- CHINA TIMES, "U.S. SENATOR CRANSTON: CLINTON WILL ADOPT 'POLICY OF ENGAGEMENT,' DEC. 3: DURING A SPEECH LAST NIGHT, U.S. SENATOR ALAN CRANSTON SAID PRESIDENT-ELECT BILL CLINTON WILL ADOPT A "POLICY OF ENGAGEMENT" TO ACHIEVE THREE GOALS:
- TO MAKE REDUCTIONS OF MILITARY EXPENDITURES POSSIBLE;
- TO ACCELERATE DEVELOPMENT OF GLOBAL MARKET LIBERALIZATION; AND
- TO REBUILD THE U.S.'S LEADING POSITION IN THE WORLD ECONOMY.

ACCORDING TO CRANSTON'S ANALYSIS, ALTHOUGH PRESIDENT CLINTON WILL PUT HIS EMPHASIS ON DOMESTIC ECONOMIC MATTERS, THE U.S. WILL ABSOLUTELY NOT TURN TO "ISOLATIONISM." ON THE CONTRARY, "THE U.S. POLICY OF ENGAGEMENT" WILL BECOME A MAJOR POLICY OF THE CLINTON ADMINISTRATION. (JH)

17. UDN COMENTS ON PRESS RESTRICTIONS DURING HILLS VISIT

- UNITED DAILY NEWS, JAMES WANG, WASHINGTON
DATELINE, "EAST MEETS WEST; AMERICAN OFFICIALS HAVE
SELF-DISCIPLINE; HILLS WEARS HAT OF 'PRIVATE VISIT;'
STICKS TO AMERICAN CONCEPT OF DEALING WITH PRESS,"
DEC. 3:

JNITED STATES TRADE REPRESENTATIVE CARLA HILLS HAS INTENTIONALLY AVOIDED LOCAL PRESS COVERAGE BECAUSE SHE DOES NOT WANT TO PLAY UP THE NEWS ABOUT HER BEING THE FIRST U.S. CABINET OFFICIAL TO VISIT FAIPEI AND BECAUSE WESTERN AND ASIAN WAYS OF HANDLING THESE THINGS ARE SOMEWHAT DIFFERENT. FACING PROTESTS FROM BEIJING OVER HILLS' VISIT, THE J.S. ANNOUNCED THAT SHE IS PAYING A PERSONAL VISIT TO TAIWAN AT THE INVITATION OF THE PRIVATE SECTOR. HILLS DOES NOT WANT TO COMPLICATE THE U.S. ADMINISTRATION'S RELATIONS WITH MAINLAND CHINA WITH HER VISIT TO TAIWAN. MOREOVER, U.S. GOVERNMENT

OFFICIALS ARE PRUDENT AND PRINCIPLED WHEN DEALING UNCLAS SECTION 08 OF 09 TAIPEI 08508 AIT/W PASS STATE, NSC, USTR AND USIA STATE FOR EAP/RA/TC NSC FOR PAAL

USTR FOR CASSIDY AND LYDON

USIA FOR EA

E.O. 12356: N/A

TAGS: PREL, ECON, TW, US

SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA WITH THE PRESS. IF THEY WISH TO TALK, THEY WILL TALK IN MEASURED WORDS. IF THEY DO NOT WANT TO TALK, THEY WON'T -- EVEN IF THE MEDIA THRUSTS A MICROPHONE IN THEIR FACE. THIS IS DIFFERENT FROM ASIA, WHERE ALL CONTROL AND DISCIPLINE IS LOST ONCE A MICROPHONE APPEARS.

AMERICAN OFFICIALS TYPICALLY PUT STRICT LIMITS ON PRESS ACCESS TO CERTAIN EVENTS. MAYBE ASIA HAS REASON TO SAY THAT THE U.S. -- WHICH SAYS IT HAS FREEDOM OF THE PRESS -- IN FACT HAS NO SUCH FREEDOM. (ML)

18. CMT: U.S. MOVES TO FIX ECONOMY WILL AFFECT TRADE TIES WITH TAIWAN

- COMMERCIAL TIMES, EDITORIAL, "U.S. ECONOMIC DIFFICULTIES AND FUTURE OF U.S.-TAIWAN TRADE," DEC.

THE UNITED STATES' INCREASING RELIANCE ON TRADE HAS RESULTED IN A SERIOUS IMPACT ON ITS ECONOMY IN THE AREAS OF PRODUCTION, EMPLOYMENT, INVESTMENT AND CONSUMPTION. INDUSTRIALIZED NATIONS WILL NOT BE ABLE TO MAINTAIN HIGH WAGES AND EXCESSIVE CONSUMPTION UNDER THE PRESSURE OF INTERNATIONAL COMPETITION.

THE U.S. SHOULD MAKE EFFORTS ON A LONG-TERM BASIS TO UPGRADE ITS TECHNOLOGY, PROMOTE INDUSTRIAL INVESTMENT AND IMPROVE LABOR QUALITY IN ORDER TO RESTORE THE INTERNATIONAL COMPETITIVENESS OF AMERICAN INDUSTRIAL PRODUCTS. HOWEVER, IT WILL TAKE A LONG TIME TO MAKE SUCH AN ADJUSTMENT. THEREFORE, THE U.S. WILL CERTAINLY SEEK OTHER WAYS TO IMPROVE ITS ECONOMY IN THE SHORT-TERM.

AFTER BILL CLINTON ASSUMES HIS NEW OFFICE, THE U.S. ADMINISTRATION IS EXPECTED TO BECOME TOUGHER IN DEMANDING THAT ITS TRADING PARTNERS OPEN MARKETS AND ENGAGE IN FAIR TRADE PRACTICES IN ORDER TO PROMOTE U.S. PRODUCTS. THE U.S. WILL ACTIVELY PROMOTE THE MULTILATERAL NEGOTIATIONS OF THE URUGUAY ROUND IN AN ATTEMPT TO REMOVE THE TRADE BARRIERS AFFECTING ITS SERVICES AND AGRICULTURAL INDUSTRIES, SINCE THE U.S. REMAINS COMPETITIVE IN THESE TWO AREAS. MOREOVER, THE U.S. WILL STRENGTHEN THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS, HOPING TO IMPROVE ITS

INTERNATIONAL COMPETITIVENESS. TAIWAN WILL REMAIN A TARGET OF U.S. TRADE NEGOTIATIONS SINCE TAIWAN SELLS ONE FOURTH OF ITS EXPORTS TO THE U.S. AND ITS TRADE SURPLUS WITH THE U.S. IS EXPECTED TO COME TO USDLO BILLION THIS YEAR. ON THE OTHER HAND, U.S. EFFORTS TO STRENGTHEN THE GENERAL AGREEMENT ON TARIFFS AND TRADE REGIME WILL BENEFIT TAIWAN'S LONG-TERM ECONOMIC DEVELOPMENT. WE BELIEVE THAT THE GOVERNMENT SHOULD ENGAGE IN NEGOTIATIONS WITH THE U.S. ON MARKET OPENING ISSUES, INCLUDING A REDUCING PROTECTION OF AGRICULTURAL AND INDUSTRIAL PRODUCTS. HOWEVER, WE SHOULD ARGUE STRONGLY ON JUST GROUNDS CONCERNING U.S. DEMANDS FOR NT APPRECIATION. AND WE SHOULD NOT GIVE PREFERENTIAL TREATMENT FOR U.S. FIRMS IN THE NATIONAL DEVELOPMENT PLAN PROJECTS. WE ARE PLEASED TO SEE THAT TAIWAN HAS RECENTLY ACHIEVED A BREAKTHROUGH IN ITS TRADE RELATIONS WITH THE U.S. WE ALSO BELIEVE THAT TAIWAN-U.S. TRADE RELATIONS WILL BE FURTHER PROMOTED SINCE THE CLINTON ADMINISTRATION WILL GIVE PRIORITY TO U.S. ECONOMIC INTERESTS. (ML)

19. APEC MEETING ALLOWS MOFA AUTHORITIES TO ENTER UNCLAS SECTION 09 OF 09 TAIPEI 08508
AIT/W PASS STATE, NSC, USTR AND USIA
STATE FOR EAP/RA/TC
NSC FOR PAAL
USTR FOR CASSIDY AND LYDON
USIA FOR EA
E.O. 12356: N/A
TAGS: PREL, ECON, TW, US
SUBJECT: TAIWAN MEDIA REACTION ON VISIT BY USTR CARLA

STATE DEPARTMENT

UNITED DAILY NEWS, JAMES C. WANG, WASHINGTON DATELINE, "HILLS 'LEADS THE WAY;' REPRESENTATIVES FROM TAIPEI BREAK NEW GROUND IN ENTERING U.S. STATE DEPARTMENT, " DEC. 3: DIRECTOR OF THE MINISTRY OF FOREIGN AFFAIRS' DEPARTMENT OF INTERNATIONAL ORGANIZATIONS, WU TZ-DAN, AND DIRECTOR-GENERAL OF THE BOARD OF FOREIGN TRADE SHEU KE-SHENG WILL STEP INSIDE THE U.S. STATE DEPARTMENT FOR THE FIRST TIME ON DECEMBER 2 TO TAKE PART IN AN ASIA-PACIFIC ECONOMIC COOPERATION MEETING OF SENIOR OFFICIALS. THIS IS THE FIRST TIME SINCE TIES BETWEEN TAIWAN AND THE U.S. WERE SEVERED THAT OFFICIALS FROM TAIPEI HAVE BEEN ALLOWED INSIDE THE STATE DEPARTMENT ON OFFICIAL BUSINESS. CHIEF CCNAA REPRESENTATIVE TING MAO-SHIH, HIS DEPUTY CHEN SHI-FANG, AND CCNAA ECONOMIC SECTION CHIEF PAN CHIA-SHENG HAVE ALSO BEEN INVITED BY THE U.S. APEC DELEGATION TO ATTEND A RECEPTION AT THE STATE DEPARTMENT. (JH) BROOKS

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<sect>SECTION:</sect>	01	OF	09
<sect>SECTION:</sect>	02	OF	09
<sect>SECTION:</sect>	03	OF	09
<sect>SECTION:</sect>	04	OF	09
<sect>SECTION:</sect>	05	OF	09
<sect>SECTION:</sect>	06	OF	09
<sect>SECTION:</sect>	07	OF	09
<sect>SECTION:</sect>	08	OF	09
<sect>SECTION:</sect>	09	OF	09

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03. Cable	From Ragle to Deborah Lehr RE: KMT political developments (5 pp.)	11/09/92	P-1, F-1, P-5	s
-				
	dential Records ecurity Council ehr Files		,	
FILE LOCATIO Taiwan	N	OA/ID Num Date Closed	ber CF01735 06/17/1999	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Cable	From Ragle to Deborah Lehr RE: Lee Kuan Yew to China [SENT FOR AGENCY REFERRAL] (3 pp.)	11/09/92	P-1, F-1	S
-				
	dential Records ecurity Council ehr Files		,	
FILE LOCATIO Taiwan	N	OA/ID Num Date Closed	ber CF01735 06/17/1999	1

RESTRICTION CODES

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- P-1 National Security Classified Information |(a)(1) of the PRA|
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F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA] Dear Mr. Chairman:

The Secretary has asked me to reply on his behalf to your letter of June 4, concerning the use of "China" as the place of birth entry in U.S. passports issued to persons born on the island of Taiwan.

Since 1945, the place of birth in the passport of a U.S. citizen, whether born on Taiwan or on the Chinese mainland, has been entered as "China". As a general rule, the country of birth as it is currently known is written in the passport. Both the authorities in Taiwan and the government of the People's Republic of China take the position that Taiwan is part of China. We acknowledge that position, and our use of "China" as the place of birth in the U.S. passport, an official foreign policy document of the United States, accords with that acknowledgment.

Your 'ther also mentioned Ukraine and Palestine as examples exceptions to the Department's place of birth policy. However, neither of these cases is analogous to the situation of Taiwan.

Before the recent changes in the former U.S.S.R., an applicant could request Ukraine at the place of birth in the passport. Ukraine, unlike Taiwan, had a seat in the General Assembly of the United Nations in its own right. To the extent that this status accorded Ukraine attributes of sovereignty, our practice was consistent with the Department's policy on place of birth entries in the U.S. passport.

The Honorable Stephen J. Solarz, Chairman,

> Subcommittee on Asian and Pacific Affairs, House of Representatives.

- 2 - '

For complex historical reasons that are peculiar to the region, "Palestine" may, upon request, be entered as the place of birth in passports issued to applicants born prior to 1948 in what is today Israel, the West Bank, and the Gaza Strip. As to those citizens born in 1948 or after, however, the Department's policy is that the place of birth must be Israel, Jerusalem, the West Bank, or the Gaza Strip.

Finally, all persons born abroad, including those who object to the use of "China" as the place of birth entry, may request that the city or town of their birth be shown as the place of birth in their passport. However, in such cases, applicants are cautioned that the use of this option may entail delay or other difficulties when traveling to, or obtaining visas for entry into, certain foreign countries.

Sincerely,

Janet G. Mullins Assistant Secretary Legislative Affairs

326-6179

CA/PPT/C:WCrawford:atb 6/12/92, 3578j Rev'd:WBWharton, 6/17/92 Rev'd:SPalmer-Royston, 7/17/92

Clearances:
CA/PPT:WLCamp
CA:JWard
EAP/RATC:HTroutman
L/EAP:JHergen
INR/GE/CAG:BThomas,WLHezlep
NEA/IAI:SMidura
EAP/CM:PFreeman
CA/OCS:CDiPlacido
E:BAlter

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. Cable	From Ragle to Deborah Lehr RE: Taiwan and North Korea (2 pp.)	11/09/92	P-1, F-1, P-5	С
	dential Records ecurity Council ehr Files		¥	
FILE LOCATIO Taiwan	N	OA/ID Num Date Closed	ber CF01735 06/17/1999	1,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
07. Cable	Forwarded from White House Situation Room to Deborah Lehr RE: Taiwan and membership in INTERPOL [SENT FOR AGENCY REFERRAL] (3 pp.)	10/27/92	P-1, F-1	s
	dential Records ecurity Council ehr Files		•	
FILE LOCATIO Taiwan		OA/ID Num	ber CF01735 06/17/1999	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09. Cable	Forwarded from White House Situation Room to Ragle and Paal RE: Michael Kao Ying-Mao (3 pp.)	10/14/92	P-1, F-1, P-5	С
	dential Records ecurity Council ehr Files			
Taiwan	N	OA/ID Num	ber CF01735 06/17/1999	Ę,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
10. Cable	Forwarded from White House Situation Room to Deborah Lehr, Doug Paal, and Ragle RE: Dragon Gate nuclear project (3 pp.)	10/07/92	P-1, F-1, P-5	С
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COLLECTION Bush Presi	dential Records		i	
	ecurity Council			
FILE LOCATIO Taiwan	N	OA/ID Num	ber CF01735	1
		Date Closed		14

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
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- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b))(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
11. Cable	Forwarded from White House Situation Room to Deborah Lehr, O'Leary, and Paal RE: Ding Mou-Shih [SENT FOR AGENCY REFERRAL] (2 pp.)	10/02/92	P-1, F-1	S
	dential Records ecurity Council ehr Files		,	
FILE LOCATIO Taiwan	N	OA/ID Num	ber CF01735	-
		Date Closed	06/17/1999	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

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F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
12. Memo	From Nat Bellochi (AIT) to the file RE: MEMCON of Bellochi and Ding Mou-shi (2 pp.)	09/28/92	P-1, F-1, P-5	С
	dential Records ecurity Council ehr Files		,	
Taiwan		OA/ID Num	ber CF01735 06/17/1999	Ġ,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
13. Cable	From AIT Taipei to AIT Washington D.C. RE: Taiwan foreign policy [SENT FOR AGENCY REFERRAL] (6 pp.)	08/24/92	P-1, F-1	С
	dential Records ecurity Council ehr Files		,	
FILE LOCATIO Taiwan		OA/ID Num Date Closed	ber CF01735 06/17/1999	÷,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

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Freedom of Information Act - [5 U.S.C. 552(b)]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
14. Cable	From AIT Taipei to AIT Washington D.C. RE: Taiwan foreign policy (4 pp.)	08/21/92	P-1, F-1, P-5	С
COLLECTION				
	dential Records ecurity Council ehr Files		٠	
FILE LOCATIO Taiwan	N	OA/ID Num	ber CF01735	į.
		Date Closed	06/17/1999	-

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Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-8 Release would disclose information concerning the regulation of financial institutions ((b)(8) of the FOIA
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



AMERICAN INSTITUTE IN TAIWAN

1700 N, Maore St. 17th Floor Arlington, Virginia 22209 (703) 525-8474

FAX: (703) 841-1385 TELEX: 64568 AITWASH

DATE Aug. 31, 1992	
TO: MR, DOUG PAAL	
FAX PHONE NUMBER 202 395-1184	
ADDRESSEE'S PHONE 202 395-5746	
FROM: NAT BELLOCCHI	
SUBJ: LIST OF COMPANIES - INTEREST IN SIX-YEAR DEV. PL	.AN
NUMBER OF PAGES INCLUDING THIS COVER SHEET 12	
MESSAGE:	
Doug -	

HERE IS A LIST OF ABOUT FORTY COMPANIES THAT HAVE INTERESTS IN SPECIFIC PROJECTS IN THE SIX YEAR PLAN. THERE ARE ABOUT TEN MORE WHICH WE ARE HAVING TO RESEARCH FOR MORE INFORMATION. WE'LL FAX THEM OVER PROBABLY TOMORROW.

NAT

Mr. Robert E. Allen Chairman & CEO American Telephone and Telegraph Co. 295 N. Maple Avenue Basking Ridge, N.J. 07920 Tel. 908 221-2000

Interests:

Telecommunications Computerization Project

Mr. Lawrence A. Bossidy Chairman & CEO Allied-Signal, Inc. 101 Colombia Road Morristown, N.J. 07962 Tel. 201 455-2000

Interests:

Computerization Projects

Mr. Robert E. Howson Chairman & CEO Babcock & Wilcox 1010 Common Street New Orleans, LA 70161 Tel. 504 587-5700

Interests:

Power Projects Transportation Projects

Mr. R. P. Bechtel President Bechtel Group, Inc. 50 Beale Street Box 193965 San Francisco, CA 94119 Tel. 415 768-1234

Interests:

High Speed Rail Project Pollution Control Projects Airport Expansion Projects Power Projects Transportation Projects

Mr. Raymond W. Smith Chairman & CEO Bell Atlantic Corporation 1600 Market Street Philadelphia, PA 19103 Tel. 215 963-6000

Interests:

Computerization Projects

Mr. Ber Pieper President & CEO Brown & Root 4100 Clinton Drive Houston, TX 77020 Tel. 713 676-3011

Interests:

Airport Expansion Projects

Mr. Bruce W. Wilkinson Chairman & CEO CRSS, Inc. 1177 W. Loop South Houston, TX 77027 Tel. 713 552-2000

Interests:

Expressway and Highway Projects High Speed Rail Project Transportation Projects

Mr. Robert C. Marini Chairman & President Camp, Dresser & McKee One Cambridge Center Cambridge, MA 02142

Interests:

Pollution Control Projects

Mr. Walter J. Zable Chairman, President & CEO Cubic Corporation 9333 Balboa Avenue San Diego, CA 92123 Tel. 619 277-6780

Interests:

Transportation Projects

Mr. Charles E. Hugel Chairman & CEO Combustion Engineering 900 Long Ridge Road Box 9308 Stamford, CT 06904 Tel. 203 329-8771

Interests:

Power Projects

Mr. Kenneth H. Olsen President Digital Equipment Corp. 111 Powdermill Road Maynard, MA 01754 Tel. 508 493-5111

Interests:

Computerization Projects

Mr. Donald K. Stager Chairman, President & CEO Dillingham Construction Corp. 5960 Inglewood Drive Pleasanton, CA 94566 Tel. 510 463-3300

Interests:

Expressway and Highway Projects High Speed Rail Project Transportation Projects Mr. W. S. Lee Chairman, President & CEO Duke Power 422 S. Church Street Charlotte, NC 28242 Tel. 704 373-4011

Interests:

Power Projects

Mr. Russel J. Christesen Chairman Ebasco Services, Inc. 2 World Trade Center New York, NY 10048 Tel. 212 839-1000

Interests:

Power Projects

Mr. Robert R. Kiley President & CEO Fischback Corp. 485 Lexington Avenue New York, NY 10017 Tel. 212 986-4100

Interests:

Expressway and Highway Projects High Speed Rail Project Transportation Projects

Mr. L. G. McCraw Chairman & CEO Fluor Corp. 333 Michelson Drive Irving CA 92730 Tel. 714 975-2000

Interests:

Airport Expansion Projects

Mr. Louis E. Azzato Chairman & CEO Foster Wheeler Corp. Perryville Corporate Park Clinton, NJ 08809 Tel. 908 730-4000

Interests:

Power Projects

Mr. John F. Welch, Jr. Chairman & CEO General Electric Co. 3135 Easton Turnpike Fairfield, CT 06431 Tel. 203 373-2211

Interests:

Telecommunications Computerization Projects Power Projects Transportation Projects

Mr. Stuart A. Brown President General Railway Signal Co. 801 West Avenue Rochester, NY 14611 Tel. 716 783-2000

Interests:

Transportation Projects China Steel 4th Phase Expansion

Mr. Irvin E. Richter Chairman Gibbs & Hill, Inc. 11 Penn Plaza New York, NY 10001 Tel. 212 216-6000

Interests:

Power Projects

Mr. William Bowen Chairman Greiner Engineering, Inc. 909 E. Las Colinas Blvd. Irving, TX 75039 Tel. 214 869-1001

Interests:

Airport Expansion Projects

Mr. Renso L. Caporali Chairman & CEO Grumman Corp. 1111 Stewart Avenue Bethpage, NY 11714 Tel. 516 575-0574

Interests:

Computerization Projects Airport Expansion Projects

Mr. James L. Johnson Chairman & CEO GTE Corp. One Stamford Forum Stamford, CT 06904 Tel. 203 965-2000

Interests:

Computerization Projects Airport Expansion Projects

Mr. Robert F. Clarke President & CEO Hawaiian Electric Industries, Inc. P.O. Box 730 Honolulu, HI 96808 Tel. 808 543-7771

Interests:

Transportation Projects

Mr. Phillippe Montagner Chairman HDR, Inc. 8404 Indian Hills Drive Omaha, NE 68114 Tel. 402 399-1000

Interests:

Pollution Control Projects

Mr. Malcolm R. Currie Chairman & CEO Hughes Aircraft Co. P.O. Box 45066 Los Angeles, CA 90045 Tel. 310-568-7200

Interests:

Telecommunications Airport Expansion Projects

Mr. John F. Akers Chairman & CEO IBM Old Orchard Road Armonk, NY 10504 Tel. 914 765-1900

Interests:

Airport Expansion Projects Computerization Projects

Mr. W. C. Stitt Chairman & CEO ICF Kaiser Engineers 1800 Harrison Street Oakland, CA 94612 Tel. 510 268-6000

Interests:

Transportation Projects

Mr. Rand V. Araskog Chairman & CEO ITT Corporation 1330 Avenue of the Americas New York, NY 10019 Tel. 212 752-6000

Interests:

Telecommunications

Mr. Marc F. Wray Chairman & CEO Joy Environmental 301 Grant Street Pittsburg, PA 15219 Tel. 412 562-4500

Interests:

Pollution Control Projects

Mr. Walter Scott, Jr. Chairman Peter Kiewit Sons, Inc. 1000 Kiewit Plaza Omaha, NE 68131 Tel. 402 342-2052

Interests:

Transportation Projects

Mr. William M. Agee Chairman & CEO Morrison-Knudsen Corp. Morrison-Knudsen Plaza Box 73 Boise, Idaho 83729 Tel. 208 386-5000

Interests:

Expressway and Highway Projects High Speed Rail Project Transportation Projects Mr. George M. C. Fisher Chairman & CEO Motorola, Inc. 1303 E. Algonquin Road Schaumburg, IL 60196 Tel. 708 397-5000

Interests:

Telecommunications Computerization Projects

Mr. Henry L. Michel Chairman Parsons Brinckerhoff, Inc. One Penn Plaza New York, NY 10119 Tel. 212 465-5000

Interests:

Expressway and Highway Projects High Speed Rail Project Transportation Projects

Mr. Dennis J. Picard Chairman & CEO Raytheon Corp. 141 Spring Street Lexington, MA 02173 Tel. 617 862-6600

Interests:

Airport Expansion Projects

Mr. H. K. Smith Chairman Riley Stoker Corp. 5 Neponset Street Worcester, MA 01606 Tel. 508 852-7100

Interests:

Power Projects

Mr. E. V. Abraham Sr. Partner Sargent & Lundy 55 E. Monroe Street Chicago, IL 60603 Tel. 312 269-2000

Interests:

Power Projects

Mr. J. DeCourcelle President Spectrum Communication Corp. 1055 W. Germantown Pike Norristown, PA 19403 Tel. 215 631-1710

Interests:

Telecommunications

Mr. William F. Allen, Jr. Chairman & CEO Stone & Webster 250 West 34th Street New York, NY 10119 Tel. 212 290-7500

Interests:

Power Projects

Mr. B. R. Smith, Jr. Chairman & CEO Sverdrup Corp. 13723 Riverport Drive Maryland Heights, MO 63043 Tel. 314 436-7600

Interests:

Expressway and Highway Projects High Speed Rail Project Transportation Projects Mr. James A. Untuh Chairman & CEO Unisys Corp. P. O. Box 500 EZ-112 Blue Bell, PA 19424 Tel. 215 986-4011

Interests:

Computerization Projects

Mr. George W. Sarney Chairman United Engineers and Constructors, Intl., Inc. 30 South 17th Street Philadelphia, PA 19101 Tel. 215 422-3000

Interests:

China Steel 4th Phase Expansion

Mr. Dean L. Buntrock Chairman & CEO Waste Management, Inc. 3003 Butterfield Road Oak Brook, IL 60521 Tel. 708 572-8800

Interests:

Pollution Control Projects

Mr. Paul E. Lego Chairman & CEO Westinghouse Electric Corp. Six Gateway Center Westinghouse Building Pittsburg, PA 15222 Tel. 412 244-2000

Interests:

Pollution Control Projects Power Projects Transportation Projects

06720

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - China-Taiwan 1990

Re: Taiwan and the PRC Re: South Korea and China Re: China and the GATT

Memo from FBI to Brent Scowcroft

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01. Cable	From CIA to White House Situation Room RE: Taiwan and the PRC [SENT FOR AGENCY REFERRAL] (2 pp.)	11/15/90	P-1, F-1	S
COLLECTION				
	dential Records ecurity Council Files		,	
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China-Taiwan 1990

OA/ID Number CF01314

Date Closed

05/25/1999

RESTRICTION CODES

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SUBJECT/TITLE	DATE	RESTRICTION	CLASS
From CIA to various RE: South Korea and China [SENT FOR AGENCY REFERRAL] (3 pp.)	11/10/90	P-1, F-1	S
lential Records curity Council		,	
V			
an 1990	OA/ID Num	ber CF01314	ξ.
	From CIA to various RE: South Korea and China [SENT FOR AGENCY REFERRAL] (3 pp.) Jential Records curity Council Files	From CIA to various RE: South Korea and China [SENT FOR AGENCY REFERRAL] (3 pp.) Jential Records curity Council Files	From CIA to various RE: South Korea and China [SENT FOR AGENCY REFERRAL] (3 pp.) Rential Records curity Council Files

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Cable	From American Embassy, Beijing to Secretary of State RE: China and GATT [SENT FOR AGENCY REFERRAL] (4 pp.)	11/10/90	P-1, F-1	С
	dential Records ecurity Council Files		,	
FILE LOCATIO China-Taiv	N	OA/ID Num Date Closed	ber CF01314 05/25/1999	1

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]





U.S. Department of Justice

SECRET/WNINTEL/ORCON/NOFORN

Federal Bureau of Investigation

NO DISSEMINATION ABROAD

Washington, D. C. 20535

BY LIAISON

DECLASSIFIED IN PART

PER E.O. 12958

Date: July 24, 1990

Case No. 99-0182-F

To:

Lieutenant General Brent Scowcroft

Assistant to the President for National

Security Affairs National Security Council

Old Executive Office Building

Washington, D. C.

W. Douglas Gow, Assistant Director in Charge

Intelligence Division

Subject:

(5)

This communication is classified SECRET/WNINTEL/ ORCON/NOFORN/NO DISSEMINATION ABROAD in its entirety.

Enclosed for the National Security Council are an original and one copy of a Federal Bureau of Investigation (FBI) memorandum datelined July 24, 1990, at Washington, D. C.

Enclosures - 2

CLASSIFIED BY: 60267 NG

DECLASSIFY ON: X_

(RHD)(936402)

SECRET/WNINTEL/ORCON/NOFORN NO DISSEMINATION ABROAD

Class to by: 2080 Declassify on: OADR

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.

NO DISSEMINATION ABROAD

Lieutenant General Brent Scowcroft Assistant to the President for National Security Affairs National Security Council

You may direct inquiries to Unit Chief
FBI Headquarters, Intelligence Division.

Bl

SECRET/WNINTEL/ORCON/NOFORN
NO DISSEMINATION ABROAD
- 2 -



White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan - Arms Sale 1990 [1]

Lawrence Eagleburger summary memo on arms sales to Taiwan

Lawrence Eagleburger memo on arms sales to Taiwan

Correspondence from L. Desaix Anderson, Re: Arms sales to Taiwan

Ninth U.S.-Taiwan Arms Talks

Talking points for Ninth U.S.-Taiwan Arms Talks

Cable from AIT Taipei, Re: Press comment on U.S. arms sales to Taiwan

Re: Annual Taiwan arms sales talks
Background paper on Taiwan arms sales
Documents concerning Taiwan arms sales

Report on Taiwan military

Re: Taiwan helicopters

90 P	P-1, F-1, P-5	S
	,	
	Numh	Number CF01316

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

07/30/2002

- F-2 Reiease would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01b. Memo	From Lawrence Eagleburger to Brent Scowcroft RE: Arms sales to Taiwan (4 pp.)	11/10/90	P-1, F-1, P-5	S
-				
COLLECTION	1.112			
	dential Records ecurity Council Files		,	
FILE LOCATIO	N Arms Sale 1990 [1]	OA/ID Num	ber CF01316	
I aiwali - A	unis saie 1770 [1]	Date Closed		1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Memo	From L. Desaix Anderson and Richard A. Clarke to Deputy Secretary of State RE: Arms sales to Taiwan (2 pp.)	n.d.	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - A	N arms Sale 1990 [1]	OA/ID Nur	nber CF01316	4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

07/30/2002

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04a. Agenda	Ninth U.STaiwan arms talks [SENT FOR AGENCY REFERRAL] (1 pp.)	08/13/	P-1, F-1	S
COLLECTION				
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num	ber CF01316	
1 aiwall - A	ans one 1770 [1]	Date Closed		1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04b. Talking points	Talking points for a series of U.STaiwan arms talks, August 13-16, [SENT FOR AGENCY REFERRAL] (15 pp.)	01/13- 16/.	P-1, F-1	S
-				
	idential Records ecurity Council Files		1	
FILE LOCATIO		OA/ID Nun	nber CF01316 i 07/30/2002	5

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
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- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
05. Cable	From AIT, Taipei to AIT Washington D.C. RE: Press comment on U.S. arms sales to Taiwan (2 pp.)		P-1, F-1, P-5	С
	dential Records ecurity Council Files		ŕ	
FILE LOCATIO	N rms Sale 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/30/2002	ξ

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06. Working paper	RE; Annual Taiwan arms sales talks (3 pp	n.d.	P-1, F-1, P-5	S
COLLECTION				
	dential Records ecurity Council			
Doug Paal				
FILE LOCATIO		OA/ID No	mber CF01316	
I aiwan - A	Arms Sale 1990 [1]	Date Close		1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes {(b)(7) of the FOIA}
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SU	BJECT/TITLE	DATE	RESTRICTION	CLASS.
07. Background paper	RE: Taiwan arms sales	(5 pp.)	06/13/90	P-1, F-1, P-5	S
	dential Records ecurity Council Files				
FILE LOCATIO Taiwan - A	N arms Sale 1990 [1]		OA/ID Num	ber CF01316 07/30/2002	, N

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute |(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08a. Note	From Ed Ross (SECDEF) to Doug Paal RE: Taiwan arms sales materials (1 pp.)	06/05/90	P-1, F-1, P-5	
-				
National S	dential Records ecurity Council		,	
Doug Paal FILE LOCATIO		OA/ID Num	ber CF01316	
rathall - M	amo ome 1550 [1]	Date Closed		

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(I) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

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F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08b. Memo	To Under Secretary of Defense for Policy RE: Taiwan annual arms sales ceiling (2pp.)	n.d.	P-1, F-1, P-5	S
	dential Records ecurity Council Files			
FILE LOCATIO		OA/ID Nun Date Closes	nber CF01316 i 07/30/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08c. List	RE: Taiwan annual arms sales ceiling by fiscal year [SENT FOR AGENCY REFERRAL] (1 pp.)	n.d.	P-1, F-1	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - A	N rms Sale 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/30/2002	÷,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08d. Chart	RE: Taiwan [SENT FOR AGENCY REFERRAL] (1 pp.)	n.d.	P-1, F-1	S
	idential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num	ober CF01316 07/30/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08e. Memo	To Deputy Assistant Secretary for Defense East Asia and Pacific Affairs RE: Taiwan (2 pp.)	n.d.	P-1, F-1, P-5	С
	dential Records ecurity Council Files			
Taiwan - A	rms Sale 1990 [1]	OA/ID Numi	oer CF01316 07/30/2002	ź,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
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- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
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- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

FOREIGN MILITARY SALES & CONSTRUCTION SALES AGREEMENTS (DOLLARS IN THOUSANDS)

		ACTUAL FY 19	989	TAMITZ3	ED FY 1990	ESTIMATED	FY 1991
	TOTAL SALES	DEFENSE ART/SERV	CONSTR/ DESIGN	TOTAL SALES	DEFENSE ART/SERV	TOTAL SALES	DEFENSE ART/SERV
AFRICA:				2 000	2 000	2 000	2 000
AFRICA CIVIC ACTION BOTSHANA	351	0 351	0	2,000 1,000	2,000 1,000	1,000	1,000
CAMEROON	323	323	0	0	. 0	0	0
CENTRAL AFRICAN REPUBLIC	0	0	0	500	500	500	500
CHAO	215	215	0	6,000	6,000	3,000	3,000
DJIBOUTI EQUATORIAL GUINEA	428 16	428 16	0	2,000	2,000	1,000	1,000
GAMBIA	31	31	ő	ő	ő	o	ő
GUINEA-BISSAU	68	68	0	0	0	0	0
KENYA	16,331	16,331	0	5,000	5,000	5,000	5,000
LIBERIA	1,534	1,534	0	1,000	1 000	1,000	1,000
MADAGASCAR MALAVI	456 362	456 362	0	2,000	1,000 2,000	1,000	1,000
HALI	114	114	ő	0	0	0	0
MAURITANIA	219	219	0	0	0	0	0
MIGER .	1,562	961	601	2,000	2,000	1,000	1,000
NIGERIA	13 175	13 175	0	2,000	2,000	1,000	1,000
SAO TOME & PRINCIPE SENEGAL	2,219	2,219	0	1,500	1,500	500	500
SIERRA LEONE	20	20	ő	0	0	0	0
SOMALIA	10,046	8,396	1,650	0	0	0	0
SUDAN	4,703	4,703	0	0	0	2 000	2 000
ZAIRE	8,410	8,410	0	3,500	3,500	3,000	3,000
REGIONAL TOTAL	47,596	45,345	2,251	28,500	28,500	20,000	20,000
AMERICAN REPUBLICS:							
ANTIGUA-BARBUDA*	241	241	0	10 000	10 000	13 000	13 000
ARGENTINA BARBADOS*	18,147 959	18,147 673	0 286	10,000	10,000	13,000	13,000
BELIZE	167	167	200	500	500	500	500
BOLIVIA	96	96	o o	35,000	35,000	28,000	28,000
BRAZIL	81,930	81,930	0	50,000	50,000	86,000	86,000
CHILE	82	82	0	5,000	5,000	35,000	35,000
COLOMBIA COSTA RICA	90,781	90,781	0	1,000	65,000 1,000	90,000 1,000	90,000 1,000
DOMINICA*	184	184	ő	1,000	1,000	0.000	0
DOMINICAN REPUBLIC	1,257	1,257	0	1,500	1,500	1,500	1,500
EASTERN CARIBBEAN	0	0	0	3,500	3,500	3,000	3,000
ECUADOR	9,162	9,162	2 023	9,500	9,500	10,000 80,000	10,000 80,000
EL SALVADOR GRENADA*	85,517	81,580	3,937	80,000	80,000	00,000	00,000
GUATEMALA	14,930	12,218	2,712	3,000	3,000	3,000	3,000
HONDURAS	24.964	22,945	2,019	36,000	36,000	36,000	36,000
JAMAICA	2,054	2,054	0	1,000	1,000	2,000	2,000
MEXICO	12,484	12,484	0	10,000	10,000	10,000	1,000
PARAGUAY PERU	2,823	2,823	0	4,500	4,500	1,000 55,000	55,000
ST. KITTS AND NEVIS*	122	122	ő	0	0	0	0
ST. LUCIA*	191	191	0	0	0	0	0
ST. VINCENT & GRENADINES*	294	148	146	0	0	2 000	3 000
URUGUAY VENEZUELA	1,999 6,048	1,999 6,048	0	3,000 70,000	3,000 70,000	3,000	3,000
PEREZUELA	0,040	0,040		70,000	70,000	30,000	30,000
REGIONAL TOTAL	354,779	345,679	9,100	418,500	418,500	488,000	488,000
EAST ASIA & PACIFIC:	100 011	100 011		150 000	150 000	100 000	100 000
AUSTRALIA CHINA	188,841	188,841	0	150,000	150,000	100,000	100,000
FIJI	416	416	0	0	0	500	500
INDONESIA	17,617	17,617	ŏ	7,000	7,000	8,000	8,000
JAPAN	277,000	277,000	0	900,000	900,000	200,000	200,000
KOREA	391,306	391,306	0	1,800,000	1,800,000	300,000	300,000
MALAYSIA NEW ZEALAND	2,028	2,028	0	5,000 25,000	5,000 25,000	5,000 17,500	5,000 17,500
HER LEVENU	11,233	11,233	U	23,000	20,000	11,000	,

FOREIGN MILITARY SALES & CONSTRUCTION SALES AGREEMENTS (CONTINUED) (DOLLARS IN THOUSANDS)

		ACTUAL FY 1	989	ESTIMAT	ED FY 1990	ESTIMAT	ED FY 1991
	TOTAL SALES	DEFENSE ART/SERV	COMSTR/ DESIGN	. TOTAL SALES	DEFENSE ART/SERV	TOTAL	DEFENSE ART/SERV
EAST ASIA & PACIFIC (CONT):							
PHILIPPINES	130,061	130,061	- 0	200,000	200,000	225,000	225,000
SINGAPORE	48,827	48,827	0	27,000	27,000	65,000	65,000
TAIWAN	526,317	526,317	0	510,000	510,000	500,000	500,000
THAILAND	77,051	77,051	0	140,000	140,000	160,000	150,000
REGIONAL TOTAL	1,670,697	1,670,697	0	3,764,000	3,764,000	1,581,000	1,581,000
EUROPE & CANADA:							
AUSTRIA	7,813	7,813	0	35,000	35,000	65,000	65,000
BELGIUM	12,207	12,207	0	30,000	30,000	55,000	55,000
CANADA	218,934	218,934	0	170,000	170,000	150,000	150,000
DENMARK	28,176	27,806	370	35,000	35,000 2,000	35,000	35,000
FINLAND	1,059	1,059	0	2,000 40,000	40,000	45,000	3,000 45,000
FRANCE GERMANY	56,188 427,194	56,188 427,094	100	350,000	350,000	350,000	350,000
GREECE	158,578	158,578	100	200,000	200,000	200,000	200,000
IRELAND	130,378	8	ŏ	0	0	0	0
ITALY	47,091	47,091	ō	30,000	30,000	30,000	30,000
LUXEMBOURG	305	305	0	500	500	1,500	1,500
NETHERLANDS	265,568	265,568	0	330,000	330,000	100,000	100,000
NORWAY	27,201	27,201	0	150,000	150,000	45,000	45,000
PORTUGAL.	31,668	31,668	0	360,000	360,000	100,000	100,000
SPAIN	103,042	103,042	0	320,000	320,000	100,000	100,000
SWEDEN	4,509	4,509	0	10,000	10,000	10,000	10,000
SWITZERLAND	17,148	17,148	0	90,000	90,000	1,800,000	1,800,000
TURKEY	338,969	338,969	0	250,000	250,000	200,000	200,000
UNITED KINGDOM	164,445	164,314	131	280,000	280,000	150,000	150,000
REGIONAL TOTAL	1,910,103	1,909,502	601	2,682,500	2,682,500	3,439,500	3,439,500
MEAR EAST & SOUTH ASIA:							
ALGERIA	953	953	0	1,000	1,000	1,000	1,000
BAHRAIN	99,723	99,723	0	100,000	100,000	110,000	110,000
BANGLADESH	1,099	1,099	0	0	0 000	600 000	0
EGYPT	3,086,549	3,042,238	44,311	850,000	850,000	500,000	3,000
INDIA	114	114	0	3,000	475,000	3,000	200,000
I SRAEL JORDAN	371,258 11,835	371,258 11,835	ő	475,000 45,000	45,000	20,000	20,000
KUWAIT	93,468	93,468	ő	55,000	55,000	50,000	50,000
LEBANON	5,000	5,000	ő	0	0	0,000	0
MOROCCO	19,089	19,089	ŏ	20,000	20,000	20,000	20,000
NEPAL.	391	391	0	0	0	0	0
OHAN	969	969	0	500	500	500	500
PAKISTAN	1,879,601	1,879,601	0	500,000	500,000	260,000	260,000
SAUDI ARABIA	1,191,450	1,191,450	0	1,890,000	1,890,000		1,120,000
TUNISIA	29,830	29,830	0	20,000	20,000	20,000	20,000
UNITED ARAB EMIRATES	52,522	52,522	0	100,000	100,000	100,000	100,000
YEHEN (SANAA)	8,223	8,223	0	2,000	2,000	2,000	2,000
REGIONAL TOTAL		6,807,763	44,311	4,061,500	4,061,500	2,406,500	2,406,500
MON-REGIONAL:	244						
INTERNATIONAL OPCANIZATIONS OT	85,383	85,383	0	45,000	45,000	65,000	65,000
NON-REGIONAL: INTERNATIONAL ORGANIZATIONS	03,303	03,303	- 4	49,000	43,000	33,000	93,000
NON-REGIONAL TOTAL	85,383	85,383	0	45,000	45,000	65,000	65,000
MORLDWIDE TOTAL	10,920,632	10,864,369	56,263	11,000,000	11,000,000	8,000,000	8,000,000

^{*}These countries comprise the Eastern Caribbean. See Eastern Carribbean narrative in Section III for a discussion of specific country programs. **Less than \$500.

Estimating Foreign Military Sales

Foreign Military Sales (FMS) policies are derived from U.S. statutes, Presidential and State Department policies, and Department of Defense directives which implement statutory guidance and Administration policies. Offers to sell defense articles and services (including training) under FMS procedures are made only in response to specific requests from foreign governments' duly authorized representatives or eligible international organizations.

Sales estimates are developed through an analysis of each country's ongoing projects and known potential new programs. These estimates are made under conditions of extreme budgetary uncertainty. Projections are based on: analyses of interests expressed by potential purchasers which may not result in official requests; judgments as to which requests may be approved and which may result in actual sales offers after completion of a thorough, and often lengthy, U.S. government review process; and a judgment as to which final U.S. offers to sell the country may actually accept. The latter requires not only an estimate of how essential the military equipment is to the country's defense needs, but also an estimate of whether the purchase will be approved internally during the purchasing country's budget process. Projections include an estimate of potential requests for major increases in scope (amendments) to prior-year cases. These amendments are reflected as a sale in the current fiscal vear.

Each phase of the request/offer/acceptance process has many variables which make it difficult to determine exactly when a particular sale may occur. A variance of one day in a purchasing country's acceptance of a single significant proffered sale agreement could shift the recording of the transaction from one fiscal year to the next. In addition, U.S. agreements cannot always be segregated on a cash or financing basis when Letters of Offer and Acceptance are accepted by purchasing countries. Also, for countries eligible for U.S. financing, it is not always possible to determine until full payment has been made how much of that payment was U.S. financed.

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08g. Note	From James Keith (NSC) to Doug Paal (NSC) RE: Taiwan arms sales (1 pp.)	05/31/90	P-1, F-1, P-5	s
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - A	N arms Sale 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/30/2002	í,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOLA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08h. Memo	From Desaix Anderson and Richard A. Clarke to Mr. Kimmitt RE: Arms sales to Taiwan (3 pp.)	05/29/90	P-1, F-1, P-5	S
COLLECTION				
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - A	N rms Sale 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/30/2002	1,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
09a. Report	[Republic of China Military] [SENT FOR AGENCY REFERRAL] (41 pp.)	1990	P-1, F-1	S
	dential Records		,	
Doug Paal				
FILE LOCATIO Taiwan - A	N arms Sale 1990 [1]	OA/ID Num	nber CF01316 i 07/30/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
09b. E-mail	From Donald Lee Pilling to Doug Paal RE: Taiwan helicopters (1 pp.)	06/25/90	P-1, F-1, P-5	С
COLLECTION				
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - A	N arms Sale 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/30/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
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- PRM. Closed as a personal record misfile.

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- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)
Folder Title - Taiwan - Arms Sale 1990 [2]
Gary Weis (AIT) Taiwan trip report
Gerhard W. Weis briefing paper
Re: Military briefing for AIT representative
Taiwan Army briefing for Gary Weis
Taiwan Air Force briefing for Gary Weis
Taiwan Navy briefing for Gary Weis
Taiwan Indigenous Defense Fighter (IDF)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01a. Memo	From Gary Weis (AIT) to Natale Bellochi (AIT) RE: Taiwan trip report (10 pp.)	11/29/90	P-1, F-1, P-5	S
	idential Records ecurity Council Files			
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 07/31/2002	i,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

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F-1 National security classified information [(b)(1) of the FOIA]

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F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

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F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOLA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01c. Briefing paper	RE: Briefing for Gerhard W. Weis (AIT) [SENT FOR AGENCY REFERRAL] (14 pp.)	10/24/90	P-1, F-1	S
-				
COLLECTION Bush Presi	idential Records		,	
National S Doug Paal	ecurity Council Files			
FILE LOCATIO Taiwan - A	N Arms Sales 1990 [2]	OA/ID Num	ber CF01316	
		Date Closed	07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute |(b)(3) of the FOIA|
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01d. Briefing paper	RE: Military briefing for AIT representative [SENT FOR AGENCY REFERRAL] (8 pp.)	n.d.	P-1, F-1	S
	dential Records ecurity Council Files		,	
FILE LOCATIO	N arms Sales 1990 [2]	OA/ID Numi	ber CF01316 07/31/2002	4,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01h. Briefing paper	RE: Army briefing for Gerhard W. Weis (AIT) [SENT FOR AGENCY REFERRAL] (16 pp.)	10/29/90	P-1, F-1	S
	idential Records		,	
National S Doug Paal	ecurity Council Files			
FILE LOCATIO Taiwan - A	N Arms Sales 1990 [2]	OA/ID Num	ber CF01316	
		Date Closed	07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01i. Briefing paper	RE: Air Force briefing for Gerhard W. Weis (AIT) [SENT FOR AGENCY REFERRAL] (34 pp.)	10/30/90	P-1, F-1	С
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01j. Briefing paper	RE: Navy briefing for Gerhard W. Weis (AIT) [SENT FOR AGENCY REFERRAL] (8 pp.)	10/30/90	P-1, F-1	С
	dential Records ecurity Council Files		,	
FILE LOCATION Taiwan - A	N rms Sales 1990 [2]	OA/ID Num	ber CF01316 07/31/2002	1,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01k. Briefing paper	RE: Development status of Indigenous Defense Fighter (IDF) [SENT FOR AGENCY REFERRAL] (28 pp.)	11/01/90	P-1, F-1	С
	dential Records ecurity Council Files			
FILE LOCATIO		OA/ID Num	ber CF01316	,
		Date Closed	07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-China 1990

Re: PRC talks with Taiwan on the GATT

Re: Gulf War, China, and Taiwan

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01. Cable	From American Embassy, Beijing to Secretary of State RE: PRC talks with Taiwan on GATT [SENT FOR AGENCY REFERRAL] (1 pp.)	12/03/90	P-1, F-1	С
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-Cl	N	OA/ID Num	ber CF01316	
		Date Closed	07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy ((a)(6) of the PRA)
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classifled information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells ((b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. E-mail	From White House Situation Room to Doug Paal RE: Gulf War, China, and Taiwan [SENT FOR AGENCY REFERRAL] (2 pp.)	09/20/90	P-1, F-1	S
COLLECTION Buch Proces	dential Records			
	ecurity Council		,	
FILE LOCATIO Taiwan-Ch		OA/ID Num Date Closed	ber CF01316 07/31/2002	4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
 - F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan - Domestic Policy 1990

Re: Taiwan political situation

Re: Taiwan

Re: Taiwan political scene, and overview

Re: Taiwan-PRC business relations

Re: Taiwan and China

Re: Taiwan-PRC reunification

Re: Taiwan KMT political party

Re: Taiwan-PRC business relations

Re: Taiwan politics and economy

Re: Taiwan Premier Hau

Re: Defense minister nominated as new premier

Re: KMT political changes

Re: KMT political plan

Re: Taiwan KMT politics

Re: Taiwan KMT political leadership

Re: Taiwan KMT political leadership

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. E-mail	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan political situation [SENT FOR AGENCY REFERRAL] (6 pp.)	12/21/90	P-1, F-1	С
COLLECTION				
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - D	N Pomestic Policy 1990	OA/ID Num Date Closed	ber CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classifled Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy ((b)(6) of the FOIA

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02a. Sections from cable	From unknown to unknown RE: Taiwan [SENT FOR AGENCY REFERRAL] (1 pp.)	n.d.	P-1, F-1	С
-				
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num	ober CF01316 07/31/2002	- 1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
 - F-3 Release would violate a Federal statute |(b)(3) of the FOIA|
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan political scene: an overview (6 pp.)	08/09/90	P-1, F-1, P-5	С
-				
	dential Records ecurity Council Files			
FILE LOCATIO Taiwan - D	N comestic Policy 1990	OA/ID Num	ber CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classifled Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute |(b)(3) of the FOIA|
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
04. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan and PRC business relations (19 pp.)	07/20/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - D	N Domestic Policy 1990	OA/ID Num	ber CF01316 07/31/2002	- (

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
05. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan and China [SENT FOR AGENCY REFERRAL] (3 pp.)	07/14/90	P-1, F-1	S
National S Doug Paal FILE LOCATIO		OA/ID Num	ber CF01316 07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan-PRC reunification (6 pp.)	06/29/90	P-1, F-1, P-5	S
National S Doug Paal				
Taiwan - D	N Pomestic Policy 1990	OA/ID Num Date Closed	ber CF01316 07/31/2002	4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a](5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
07. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan KMT party (11 pp.)	06/29/90	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num	ber CF01316 07/31/2002	Ę

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan-PRC business [SENT FOR AGENCY REFERRAL] (5 pp.)	06/27/90	P-1, F-1	С
		>		
	dential Records ecurity Council Files		7	
FILE LOCATIO Taiwan - D	N Pomestic Policy 1990	OA/ID Num	iber CF01316 07/31/2002	- 1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(I) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
09. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan politics and economy [SENT FOR AGENCY REFERRAL] (3 pp.)	05/04/90	P-1, F-1	S
	dential Records		,	
Doug Paal				
FILE LOCATION Taiwan - Domestic Policy 1990		OA/ID Num Date Closed	ber CF01316 07/31/2002	4,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOLA]
- F-8 Release would disclose information concerning the regulation of financial institutions ((b)(8) of the FOIA)
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
10. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan premier Hau (4 pp.)	05/04/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		*	
FILE LOCATIO Taiwan - D	N Domestic Policy 1990	OA/ID Num Date Closed	ber CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

Tarivan-dom. pol.

NATIONAL SECURITY COUNCIL

02-May-1990 07:57 EDT

MEMORANDUM FOR:

JNET% "PAAL@VAXC"@WHSR"@MRGATE

FROM:

VMSMail User _JNET%"WHSR (JNET%"WHSR@WHSR"@MRGATE)

SUBJECT:

Received: From WHSR(WHSR) by VAXC with Jnet id 6917

for PAAL@VAXC; Wed, 2 May 90 07:57 EST

Date: Wed, 2 May 90 07:52 EST

From: <WHSR@WHSR>
To: PAAL@VAXC

Original To: JNET% "PAAL@VAXC"

<DIST>

SIT: PAAL MOORER

<ORIG> REUTER

<TOR>

900502074249

<TEXT>

021145 POL :BC-TAIWAN-PREMIER (SCHEDULED)

TAIWAN PRESIDENT NOMINATES DEFENSE MINISTER AS NEW PREMIER BY ANDREW QUINN

TAIPEI, MAY 2, REUTER - TAIWAN PRESIDENT LEE TENG-HUI ON WEDNESDAY NAMED DEFENSE MINISTER HAU PEI-TSUN TO BE THE NEXT PREMIER, A SENIOR NATIONALIST PARTY OFFICIAL SAID.

HAU, A FORMER CHIEF OF GENERAL STAFF, IS A TOUGH SOLDIER WHO COMMANDS FIERCE LOYALTY WITHIN THE NATIONALIST ARMED FORCES BUT WHO HAS LITTLE EXPERIENCE IN POLITICS.

LEE INFORMED HAU OF HIS DECISION BEFORE A MEETING OF THE NATIONALIST PARTY'S CENTRAL STANDING COMMITTEE ON WEDNESDAY AND HAU ACCEPTED THE NOMINATION, NATIONALIST PARTY DEPUTY SPOKESMAN CHU TZONG-KO SAID.

CHU SAID THE PRESIDENT CHOSE HAU TO ENSURE INTERNAL POLITICAL STABILITY AND TO CALM FEARS AMONG NATIONALIST PARTY VETERANS THAT HE INTENDS TO PROMOTE POLITICAL INDEPENDENCE FOR THE ISLAND.

"I WILL DEDICATE MY LIFE TO THE SERVICE OF MY PARTY AND MY COUNTRY. I WILL ACCEPT THE PRESIDENT'S NOMINATION," HAU TOLD REPORTERS AFTER THE MEETING.

A FOUR-STAR GENERAL, HAU WAS THE MUSCLE BEHIND THE CHIANG FAMILY DYNASTY, BEGUN BY THE LATE GENERALISSIMO CHIANG KAI-SHEK, WHICH RULED TAIWAN FOR ALMOST FOUR DECADES.

HE IS A POLITICAL CONSERVATIVE WHO SHARES CHIANG KAI-SHEK'S DREAM OF A UNITED CHINA AND REJECTS ANY TALK OF INDEPENDENCE FOR TAIWAN'S 20 MILLION PEOPLE.

HAU WOULD REPLACE LEE HUAN. POLITICAL ANALYSTS SAID THEY BELIEVED THAT LEE TENG-HUI WANTED TO DROP LEE HUAN BECAUSE THE PREMIER CHALLENGED HIS EFFORTS TO CONCENTRATE POWER IN THE HANDS OF THE PRESIDENCY AND FOUGHT FOR GREATER CABINET CONTROL.

THE NOMINATION, WHICH MUST BE CONFIRMED BY PARLIAMENT, WILL TAKE EFFECT AFTER LEE IS INAUGURATED TO HIS FIRST FULL-TERM AS PRESIDENT ON MAY 20.

LEE BECAME PRESIDENT IN JANUARY, 1988, AFTER THE DEATH OF CHIANG CHING-KUO, SON OF CHIANG KAI-SHEK.

HE IS TAIWAN'S FIRST NATIVE-BORN PRESIDENT BUT HAS NEVER BEEN ACCEPTED BY THE NATIONALIST OLD GUARD WHO HAVE LINGERING SUSPICIONS THAT HE MIGHT BE TEMPTED TO BOW TO POLITICAL REALITIES AND MOVE TOWARDS INDEPENDENCE.

THE NATIONALISTS, WHO IN 1949 WERE DRIVEN TO TAIWAN FROM CHINA BY COMMUNIST FORCES, STILL CLAIM TO BE THE LEGITIMATE RULERS OF ALL CHINA AND REGARD TAIWAN AS SIMPLY A PROVINCE UNDER THEIR CONTROL. BEIJING ALSO MAINTAINS TAIWAN MUST ONE DAY BE REUNITED WITH THE MAINLAND.

BORN IN CHINA'S JIANGSU PROVINCE IN 1919, HAU SERVED AS CHIEF AIDE TO CHIANG KAI-SHEK IN THE 1960S AND QUICKLY MOVED UP THROUGH THE RANKS.

HE BECAME DEFENSE MINISTER LAST DECEMBER AFTER AN EIGHT-YEAR STINT AS CHIEF OF THE GENERAL STAFF.

HAU'S NOMINATION PUTS AN END TO A FRENZY OF RUMOUR AND SPECULATION OVER THE APPOINTMENT OF THE NEXT PREMIER, WHICH HAS SHAKEN TAIWAN'S VOLATILE STOCK MARKET AND SET OFF A ROUND OF FACTIONAL MANOEVERING.

THE RUMOURS GAINED STEAM ON MONDAY WHEN LEE TOLD A GROUP OF LEGISLATORS HE WANTED AS PREMIER "A NEW MAN, CAPABLE OF BREAKTHROUGHS, WITH DETERMINATION AND A LONG-TERM VIEW."

SCHOLARS SAID ON WEDNESDAY THAT HAU'S STRONG MILITARY TIES MAY HURT HIM. OPPOSITION POLITICIANS AND MAGAZINES HAVE LABELLED HAU A POTENTIAL MILITARY STRONGMAN IN THE CHIANG FAMILY MOLD.

"MANY PEOPLE WILL THINK THIS IS NOT GOOD FOR TAIWAN'S IMAGE, PUTTING A MILITARY FIGURE IN A VERY IMPORTANT POLITICAL POST," SAID LU YA-LI, A PROFESSOR OF POLITICS AT NATIONAL TAIWAN UNIVERSITY.

"THE (OPPOSITION) DEMOCRATIC PROGRESSIVE PARTY IS GOING TO BE VERY UPSET," HE SAID.

OTHER POLITICAL ANALYSTS SAID LEE'S CHOICE WAS ASTUTE.
THEY SAID IT WILL SEND A MESSAGE TO FRIGHTENED BUSINESSMEN
THE GOVERNMENT IS SERIOUS ABOUT CRACKING DOWN ON SOCIAL UNREST,
CALM NATIONALIST ELDERS AND REMOVE LEE HUAN, SEEN AS A SERIOUS
POLITICAL THREAT TO LEE TENG-HUI.

"TAIWAN MUST APPOINT A STRONG MAN TO SURVIVE AND TO ACHIEVE STABILITY, AND HAU CAN DO IT," SAID ONE SENIOR NATIONALIST PARTY OFFICIAL WHO ASKED NOT TO BE NAMED.

REUTER AQ AMB KC

NNNN

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
11. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: KMT political changes (7 pp.)	04/25/90	P-1, F-1, P-5	С
National S Doug Paal FILE LOCATIO		OA/ID Num	ber CF01316 07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classifled Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
12. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: KMT political plan [SENT FOR AGENCY REFERRAL] (5 pp.)	04/19/90	P-1, F-1	С
COLLECTION				
	dential Records ecurity Council Files		7	
FILE LOCATIO Taiwan - D	N Domestic Policy 1990	OA/ID Num Date Closed	ber CF01316 07/31/2002	4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
14. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan KMT politics [SENT FOR AGENCY REFERRAL] (6 pp.)	03/05/90	P-1, F-1, P-5	С
National S Doug Paal			>	
Taiwan - D	N Pomestic Policy 1990	OA/ID Num Date Closed	ber CF01316 07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells ((b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
15. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan KMT political leadership (3 pp.)	03/02/90	P-1, F-1, P-5	S
	dential Records ecurity Council Files			
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 07/31/2002	1,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA|
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
16. Cable	Cable forwarded from White House Situation Room to Doug Paal RE: Taiwan KMT political leadership (4 pp.)	02/20/90	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num	ber CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classifled information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)
Folder Title - Taiwan - Economic Policy 1990
Re: Summary of Taiwan trade
Re: Taiwan investment in mainland China

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01. Telegram	From AIT Taipei to AIT Washington D.C. RE: Summary of Taiwan trade (20 pp.)	07/20/90	P-1, F-1, P-5	С
COLLECTION				
	dential Records ecurity Council Files			
FILE LOCATIO Taiwan 0 I	N Economic Policy 1990	OA/ID Num Date Closed	ber CF01316 07/31/2002	1,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
02. Telegram	From AIT Taipei to AIT Washington D.C. RE: Taiwan investment in mainland China (12 pp.)	07/20/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO			ber CF01316	(
		Date Closed	07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classifled Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan - Foreign Policy 1990

Re: Taiwan-Russia relations

Re: French policy toward China and Taiwan

Re: Taiwan and Southeast Asia Re: Philippines and Taiwan Re: Taiwan diplomatic initiatives Re: Taiwan's international position Re: Taiwan and Southeast Asia

Re: French military deals with Taiwan

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan-Russia relations [SENT FOR AGENCY REFERRAL] (2 pp.)	12/18/90	P-1, F-1	С
COLLECTION				
	idential Records			
National S	ecurity Council			
Doug Paal	Files			
FILE LOCATIO				
Taiwan - F	Foreign Policy 1990	OA/ID Num	ber CF01316	
		Date Closed	07/31/2002	Fee.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a](5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
02. Cable	Forwarded from the White House Situation Room to Doug Paal RE: French policy toward China and Taiwan [SENT FOR AGENCY REFERRAL] (2 pp.)	12/13/90	P-1, F-1	С
National S Doug Paal			*	
Taiwan - F	N oreign Policy 1990	OA/ID Num Date Closed	ber CF01316 07/31/2002	έ,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classifled Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information $\lfloor (b)(4)$ of the FOIA \rfloor

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and Southeast Asia [SENT FOR AGENCY REFERRAL] (9 pp.)	11/30/90	P-1, F-1	С
-				
	dential Records ecurity Council Files		¥	
FILE LOCATIO Taiwan - F		OA/ID Num	ber CF01316	,
	-		07/21/2002	100

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

Date Closed

07/31/2002

- F-3 Release would violate a Federal statute |(b)(3) of the FOIA|
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions ((b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Philippines and Taiwan (3 pp.)	09/30/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		¥	
FILE LOCATIO Taiwan - F	N oreign Policy 1990	OA/ID Num	ber CF01316	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

07/31/2002

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
05. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan diplomatic initiatives (7 pp.)	09/05/90	P-1, F-1, P-5	С
-				
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - F	N foreign Policy 1990	OA/ID Num	ber CF01316	,
		D (1)	07/21/2002	14

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classifled Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

07/31/2002

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan's international position (23 pp.)	07/21/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan - F	N foreign Policy 1990	OA/ID Num Date Closed	ber CF01316 07/31/2002	-

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

SUBJECT/TITLE	DATE	RESTRICTION	CLASS
Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and Southeast Asia (7 pp.)	06/13/90	P-1, F-1, P-5	s
dential Records ecurity Council Files		,	
N oreign Policy 1990	0.000		
	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and Southeast Asia (7 pp.) dential Records recurity Council Files	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and Southeast Asia (7 pp.) dential Records recurity Council Files N	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and Southeast Asia (7 pp.) dential Records currity Council Files N

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

07/31/2002

- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells (b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08. Cable	Forwarded from the White House Situation Room to Doug Paal RE: French military deals with Taiwan (2 pp.)	11/01/90	P-1, F-1, P-5	C -
National S Doug Paal			×	
FILE LOCATIO Taiwan - F	N foreign Policy 1990	OA/ID Num	ber CF01316	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

07/31/2002

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA] White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1990 [1]

Summary of Nat Bellochi (AIT) talk on Taiwan

Re: Lawrence Eagleburger memo on Taiwan

Re: Taiwan foreign minister visit

Re: Ambassador David Kennedy letter request

Letter from Senator John Heinz, Re: Taiwan machine tools From Nat Bellochi to Richard Solomon, Re: Taiwan trip report

Re: Taiwan and burden sharing

From AIT Taipei, Re: Taiwan and burden sharing

Letter from Kenjohn Wang, Re: Taiwan and self determination

Re: Taiwan and the Philippines

Re: Checklist for meetings with Taiwan officials

Re: Taiwan and burden sharing

Re: President's meeting with U.S. representatives to Taiwan

Re: Meeting with AIT representatives

Notes, Re: President's meeting with AIT representatives

Points to be made with AIT officials

List of participants in meeting between the President and AIT officials

Taiwan Coordination Council for North American Affairs (CCNAA)

Message from Taiwan President Lee Teng-Hui to the President

Re: Comment on Roger Porter memo to POTUS on Taiwan and the GATT

Memo from Roger Porter to the President concerning Taiwan and the GATT

Letter from Hon. Patricia Saiki to POTUS, Re: Taiwan and the GATT



AMERICAN INSTITUTE IN TAIWAN

1700 N. Moore Street Suite 1705 Arlington, Virginia 22209 lacum Is

Doug,

The other day which would be more than you would would would would would to know (or more likely which less than you already know) about Taiwan.

Otherhold is a summary of what it was about FYI

Max

- I. The present trends that influence the U.S.-Taiwan relationship
 - A. There is the continuing strong association in our educational systems.
 - B. There is the very strong economic and commercial relationship between us.
 - C. There is Taiwan's important international economic presence.
 - D. There is the new economic and people-to-people relationship with the PRC.
 - E. There is the substantial expansion in the number of people who travel abroad from Taiwan.
 - F. There is the growth in the perception of a Taiwan identity, both at home and abroad.
 - G. There are the now irreversible political reforms and the new generation of leaders spurring the changes.
 - H. There are the fundamental issues of ethnic power and national status now openly debated.

II. The Implications:

- The bilateral relationship, through education, travel and commerce, remains as strong as ever, and that we will continue to be a vital factor in Taiwan's future.
- 2. A large percentage of the people of Taiwan, travelling as extensively as they do, have a heightened sense of their identity, are more aware of what they have accomplished, want recognition for it, and strongly support their leaders in seeking it.
- The expanding contacts and economic activity with the Mainland have both negative and positive influence on any movement to resolve the issue between them.
- 4. Democratization, bringing full participation by all the people in the governing of the island, will also heighten debate on sensitive issues that will challenge the leadership and its changing institutions.

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01a. Routing slip	NSC/S Profile Record ID: 9008969 [SENT FOR AGENCY REFERRAL] (1 pp.)	11/13/90	P-1, F-1	S
	dential Records ecurity Council Files		×	
Taiwan-U.S	N S 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information |(a)(1) of the PRA|

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
F-4 Release would disclose trade secrets or confidential or financial

information |(b)(4) of the FOIA| F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01b. Cover memo	From Doug Paal to Brent Scowcroft RE: Eagleburger memorandum (1 pp.)	11/28/90	P-1, F-1, P-5	S
	dential Records ecurity Council Files		Y	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 07/31/2002	- (

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01c. Memo	From Lawrence Eagleburger (State) to Brent Scowcroft RE: Taiwan (4 pp.)	11/10/90	P-1, F-1, P-5	S
		,		
	dential Records ecurity Council Files		,	
Taiwan-U.	N S 1990 [1]	OA/ID Num	ber CF01316 07/31/2002	-

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01d. Memo	From Doug Paal to Brent Scowcroft RE: Eagleburger memorandum (1 pp.)	11/14/9	0 P-1, F-1, P-5	S
	dential Records ecurity Council Files		У.	
FILE LOCATIO		OA/ID No	umber CF01316 ed 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information j(a)(4) of the PRA

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

DOCUMENT NO. AND TYPE				CLASS	
02. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan foreign minister visit [SENT FOR AGENCY REFERRAL] (2 pp.)	11/28/90	P-1, F-1	С	
National So Doug Paal FILE LOCATIO	N S 1990 [1]	OA/ID Num	ber CF01316 07/31/2002	4	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

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F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

UNCLASSIFIED NSC/S PROFILE

RECORD ID: 9008476 RECEIVED: 24 OCT 90 16

TO: KENNEDY, DAVID

FROM: PRESIDENT

4.1

DOC DATE: 31 OCT 90

SOURCE REF:

Tarvan-US

KEYWORDS: TAIWAN

ECONOMICS

PERSONS: KENNEDY, D

SUBJECT: LTR FM PRES TO KENNEDY RE FOURTEENTH ANNUAL JOINT BUSINESS CONF

OF US & TAIWAN ECONOMIC COUN

ACTION: PRES SGD LTR

DUE DATE: 27 OCT 90

STATUS: C

STAFF OFFICER: PAAL

LOGREF:

FILES: WH NSCP:

CODES:

DOC 3 OF 3

DOCUMENT DISTRIBUTION

FOR ACTION

WH STRIPPING DESK

FOR CONCURRENCE

FOR INFO JACKSON / NSC CHRON PAAL

COMMENTS: _						
DISPATCHED	вч	DATE	 вч	HAND	W/ATTCH	

OPENED BY: NSMJT CLOSED BY: NSGLM

THE WHITE HOUSE

October 31, 1990

Dear Ambassador Kennedy:

Congratulations on the occasion of the Fourteenth Annual Joint Business Conference of your Council and its counterpart on Taiwan. Since their founding in 1976, the two Councils have played a vital role in promoting and strengthening economic ties between the United States and Taiwan. I am certain that this joint conference will prove to be mutually rewarding.

We Americans have been deeply impressed by Taiwan's economic achievements and by the steps taken toward democratic reform. In many ways Taiwan is becoming a model of how to create a more open and prosperous society. We hope this progress will continue.

Taiwan is one of our largest trading partners and holds huge foreign exchange reserves. With these factors come new responsibilities to help achieve fairer, more balanced trade. We are pleased with the steps Taiwan has taken to reduce its trade surplus with the United States over the past three years. This represents good progress, but much remains to be done. We must all continue efforts to liberalize our economies, to correct the structural imbalances, and to remove the remaining impediments to an open trading system. This is a matter requiring serious, ongoing attention if both the United States and Taiwan are to continue to prosper.

On a personal note, let me take this occasion to pay tribute to the contribution you have made as Chairman of the U.S. Council. Since their inception, you have played a major role in the development of the United States and Taiwan Economic Councils which in turn have promoted

better economic and trade relations between our peoples. However, your list of accomplishments does not end there. Through your work as Secretary of the Treasury and Ambassador to NATO, as Chairman of Continental Bank in Chicago, and as a leader in your church, you have made many important contributions to both the public and private sectors. Barbara and I wish you a happy and healthy retirement.

Please convey my appreciation to the members of both Councils, as well as my best wishes for a productive conference and continued success.

Sincerely,

The Honorable David M. Kennedy 3793 Parkview Drive Salt Lake City, Utah 84124

S. 7. 4

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03a. Memo	From Brent Scowcroft to POTUS RE: Annual letter to Ambassador David Kennedy marking the Fourteenth Annual Joint Business Conference of the U.S. and Taiwan Economic Council (1 pp.)	10/30/90	P-5	
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03b. Memo	From Doug Paal to Brent Scowcroft RE: Annual Presidential letter to Ambassador David Kennedy to mark joint U.STaiwan Business Conference (1 pp.)	10/24/90	P-5	
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE

Dear Ambassador Kennedy:

I congratulate you on the occasion of the Annual Joint Business Conference of your Council and its counterpart on Taiwan.

In recent years, Taiwan has faced and surmounted a daunting set of hurdles on the path of economic liberalization and political reform. This performance has been impressive.

Our two sides also engaged, forthrightly and constructively, in tough negotiations on economic issues between us. Much has been done, and much remains to be done. I salute the spirit of those who have put their energy into these demanding tasks and I urge them on to new progress in the year ahead.

Business people from both Taiwan and the United States are, of course, the engine of the change and progress we witness today. I commend their industry, creativity, and cooperation and wish them success.

Sincerely,

The Honorable David Kennedy 4701 East South Temple Street Room 203 Salt Lake City, Utah 84150

UNCLASSIFIED NSC/S PROFILE

RECORD ID: 9008429 RECEIVED: 23 OCT 90 10

TO: SCOWCROFT

FROM: HEINZ, JOHN

DOC DATE: 15 OCT 90

SOURCE REF:

KEYWORDS: ISRAEL

INTL TRADE

TAIWAN NCO

Tamen - US

PERSONS:

SUBJECT: LTR VOICE MY CONCERN OVER AN ATTEMPT BY SOME TAIWANESE MACHINE TOOL

ACTION: PREPARE MEMO FOR SCOWCROFT DUE DATE: 26 OCT 90

STATUS: S

STAFF OFFICER: HAASS

LOGREF: 9008426

FILES: WH

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION HAASS

FOR CONCURRENCE DEAL JACKSON LAMPLEY MELBY

WELCH

FOR INFO CHARLES GATES ROSTOW SCOWCROFT

COMMENTS: DATE _____ BY HAND W/ATTCH DISPATCHED BY ____

OPENED BY: NSRCB CLOSED BY:

DOC 1 OF 1

SPARK M. MATSUNAGA, HAWARI
DANIEL PATRICK MOTNIHAN, NEW YORK
MAX BAUUDS, MONTANA
DAVID L. BOREN, DELANGMA
BILL BRADLEY, NEW JERSEY
GEORGE J. MITCHELL MAINE
DAVID PRYOR, ARKANSAS
DONALD W. REGLE JR. MICHEGAN
JOHN D. ROCKEPELLER IV. WEST VIRGINIA
TOM DASCHLE, SOUTH DAKOTA

BOB PACKIWOOD, DREGON BOB DOLE KANSAS WILLIAM V. ROTH, JR., DELAWARE JOHN C. DANFORTH, MISSOURI JOHN REPROZ, PRINSTYLVANIA DANYD DURENBERGER, MINNIESDTA WILLIAM L. ARMSTROMS, COLORADO STEVE STEMMS, IDAHO

United States Senate

COMMITTEE ON FINANCE WASHINGTON, DC 20510-6200

VANDA B. McMURTRY, STAFF DIRECTOR AND CHIEF COUNSEL ED MINALSKI, MINORITY CHIEF OF STAFF

October 15, 1990

Mr. Brent Scowcroft
Assistant to the President for
National Security Affairs
National Security Council
Old Executive Office Building
Washington, D.C. 20506

Dear Mr. Scowcroft:

I am writing again to voice my concern over an attempt by some Taiwanese machine tool companies to circumvent the machine tool Voluntary Restraint Agreements (VRAs) that the United States negotiated with Taiwan and Japan in 1986. In this case, Taiwanese machining centers are being shipped to the U.S. through Israel, where minimal components are added so that the machines may qualify as Israeli products under the U.S.-Israeli Free Trade Agreement (FTA). Our government has previously considered this issue and has determined that for VRA purposes these items are Taiwanese and should be counted against that quota.

Now I understand that the Israeli government has suggested that this issue be resolved either through a FTA dispute settlement mechanism or by doubing Taiwan's VRA quota for machining centers. I suggest that neither solution is appropriate. The VRAs were negotiated as a result of a finding by President Reagan that national security was threatened by the high level of machining centers and other classes of machine tools imported from certain countries. Taiwan was one of those countries. This is clearly a national security case and should be resolved as such. Increasing Taiwan's VRA quota would open the door for additional circumvention of the VRAs and would undermine the basic premise under which they were established --protecting America's national security.

Having made the correct decision initially, I hope you will not now take action that would have the effect of reversing it. In the interest of U.S. national security, these Taiwanese machines shipped from Israel should be counted against Taiwan's VRA quota of 200 machining centers per year.

incerely,

John Heinz

United States Serate

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
04. Memo	From Natale H. Bellochi to Richard Solomon RE: Trip to Taiwan report (5 pp.)	10/12/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information |(a)(1) of the PRA|

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
05. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and burden sharing [SENT FOR AGENCY REFERRAL] (3 pp.)	10/01/90	P-1, F-1	С
	dential Records ecurity Council Files			
Taiwan-U.	S 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan burden sharing [SENT FOR AGENCY REFERRAL] (3 pp.)	09/07/90	P-1, F-1	S
-				
	dential Records ecurity Council Files			
FILE LOCATIO		OA/ID Num	ber CF01316 07/31/2002	- 5.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classifled Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
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- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

THE WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

INCOMING

'S-FOR-SIGNATURE 'X-INTERIM REPLY

*D-DRAFT RESPONSE

I-INFO COPY/NO ACT NEC 'R-DIRECT REPLY W/COPY *

*F-FURNISH FACT SHEET *S-SUSPENDED

DATE RECEIVED: SEPTEMBER 24, 1990

NAME OF CORRESPONDENT: MR. KENJOHN WANG

	URGES THE PRE DETERMINATION							
				AC	TION	DI	SPOSITION	
ROUTE TO: OFFICE/AG	ENCY (ST	AFF NAME)		ACT	DATE YY/MM/DD		C COMPLES D YY/MM/1	
CHARLES B	ACARISSE REFERRAL NO	OTE:		ORG	90/09/24	CB Aus.CB	A 90/091.	- 26
WSC, P	REFERRAL NO	OTE:		I	90/09/04			_
	REFERRAL NO	OTE:			_/_/_		/_/-	_
	REFERRAL NO	OTE:			_/_/_		/-/-	_
	REFERRAL NO	OTE:		_	_'_'_		/_/-	_
COMMENTS:								-
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ADDITIONAL	L CORRESPONDE	NTS: M	EDIA:L	INDI	VIDUAL CO	DES: 4	1900 4400	
PL MAIL	USER CODES:	(A)	(B)		(C)		_	
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ACTION CO	DDES:	*DISPOSITI	ON		*OUTGOI			*
t	DIAME AGRICU	*	n		*CORRES			*
C-COMMENT	RIATE ACTION T/RECOM	*A-ANSWERE *B-NON-SPE		RAL	*TYPE R		SIGNER	*

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590 KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING

*C-COMPLETED

CODE = A

*COMPLETED = DATE OF

OUTGOING

LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

C. BARA-

台灣人公共事務會

177072



Formosan Association for Public Affairs

538 7TH STREET S.E., WASHINGTON, D.C. 20003 (202) 547-3686

President George Bush The White House 1600 Pennsylvania Ave., N.W. Washington D.C., 20500 September 5, 1990

Dear Mr. President:

Our organization promotes democracy and freedom for the people of Taiwan. We are asking you for your support, especially now that threats to democracy and self-determination of the people of Taiwan are looming larger.

The Tiananmen incident of June 4, 1989, serves as a reminder of what can happen to a nation where the people are not allowed peaceful, political means of expression. Furthermore, periodic statements by spokesmen from the mainland have held open the possibility that China might use force to "resolve" the Taiwan problem.

In addition to this threat, Taiwan's president Lee Teng-hui, who is not elected by the Taiwanese people, stated in his inauguration speech of May 20, 1990, that he will soon discuss the reunification of Taiwan and China with the regime in Beijing.

Nobody but the Taiwanese people themselves can determine whether Taiwan should reunify with the mainland!

In the past you have consistently upheld the concept of the plebiscite as the cornerstone of democratic societies. On self-determination for the people of Puerto Rico you stated in a letter to Congressman Lagomarsino, that "...the people of Puerto Rico must have the right to express their own views on their future" and "I urge the Congress to act this year to allow a binding plebiscite on the island next year." We are now asking for your support of self-determination for the people of Taiwan as well.

I look forward to hearing from you, and thank you for your support of freedom for the people of Taiwan.

Sincerely yours,

Keijelm Wang

Kenjohn Wang President

THE WHITE HOUSE

WASHINGTON

September 26, 1990

Dear Mr. Wang:

On behalf of President Bush, I would like to thank you for your correspondence regarding the issue of self-determination for the people of Taiwan. This is an crucial time for the Republic of China, and the preservation of democracy and a free-market economy is an important issue.

I have taken the liberty of forwarding your letter to my colleagues in the National Security Council for their review.

Once again, thank you for your correspondence.

Charles Bacarisse Assistant Director Office of Public Liaison

Mr. Kenjohn Wang President, Formosan Association for Public Affairs 538 7th Street, SE Washington, D.C. 20003

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and the Philippines (2 pp.)	09/18/90	P-1, F-1, P-5	S
	dential Records		,	
Doug Paal	Files			
	N S 1990 [1]	OA/ID Num	ber CF01316	
		Date Closed	07/31/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09a. List	Checklist of issues for meeting with Taiwan officials (2 pp.)	n.d.	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO	N S 1990 [1]	OA/ID Nun	nber CF01316 i 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09b. List	From Barbara to Doug Paal RE: Preliminary checklist of issues for meeting with Taiwan officials (2 pp.)	n.d.	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S 1990 [1]	OA/ID Nur Date Close	nber CF01316 d 07/31/2002	ξ,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information |(a)(1) of the PRA|

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions ((b)(8) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
10. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and burden sharing (2 pp.)	09/15/90	P-1, F-1, P-5	S
	dential Records		,	
Doug Paal				
FILE LOCATIO Taiwan-U.	N S 1990 [1]	OA/ID Num	ber CF01316	
		Date Closed	07/31/2002	14

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

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Freedom of Information Act - [5 U.S.C. 552(b)]

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F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

CONFIDENTIAL

5737

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

July 17, 1990

Taiwan US

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH:

KARL JACKSON 100

FROM:

DOUGLAS PAAL

SUBJECT:

President's Meeting with U.S. Representatives

to Taiwan on July 18, 1990

At Tab I is a memorandum for the President's brief meeting with his representative on Taiwan Stan Brooks and Natale Bellochi, the Chairman of the organization that handles U.S.-Taiwan relations.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Scowcroft/President Memorandum

Tab A Points to be Made

Tab B

Participants List

COISE NO. 99-0182-F

CONFIDENTIAL

Declassify on: OADR

-CONFIDENTIAL

THE WHITE HOUSE WASHINGTON

MEETING WITH

AMERICAN INSTITUTE IN TAIWAN (A.I.T.)

DIRECTOR THOMAS STANLEY BROOKS AND
A.I.T. CHAIRMAN NATALE H. BELLOCHI

DATE: July 18, 1990 LOCATION: Oval Office

TIME: 10:30 - 10:40 am

FROM: BRENT SCOWCROFT

I. PURPOSE

To meet for photos with newly appointed representatives to Taiwan Stan Brooks and Nat Bellochi and their wives. Brooks, who has been in Taipei for several months, will touch on the sweeping political economic and foreign policy changes on the island.

II. BACKGROUND

Stan Brooks, who worked for you in Beijing, became Director of the A.I.T. office in Taipei last spring, after tours in Shanghai and as Ambassador Jim Lilley's deputy in Seoul. Mrs. Bush knew Claire Brooks well in Beijing.

Ambassador Nat Bellochi is a retired Foreign Service Officer who served most recently in Botswana and Hong Kong. He heads the Washington office of A.I.T., as Chairman.

III. PARTICIPANTS

See Tab B.

IV. PRESS PLAN

White House photographer only. Case

16P, 12/18/00 Case 10, 99-0182-F

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS

V. SEQUENCE

After photos with the Brooks and Bellochi couples, Stan Brooks will give you a quick summary of trends on Taiwan and between Taiwan and the PRC.

Attachments

Tab A Points to be Made Tab B Participants List

> cc: Vice President Chief of Staff

CONFIDENTIAL

Declassify on: OADR

CONFIDENTIAL

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
12c. Handwritten notes	RE: POTUS meeting with AIT representatives [SENT FOR AGENCY REFERRAL] (4 pp.)	07/18/90	P-1, F-1	С
_				
National Se	dential Records		, .	
Doug Paal		OA/ID Num	ber CF01316	
Taiwaii-U.	3 1550 [1]	Date Closed		4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information (a)(1) of the PRA)
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
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- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA|
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- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
12d. Talking points	RE: Points to be made with AIT officials [SENT FOR AGENCY REFERRAL] (1 pp.)	n.d.	P-1, F-1	С
	dential Records ecurity Council Files		,	
Taiwan-U.	N S 1990 [1]	OA/ID Nur Date Closed	nber CF01316 ii 07/31/2002	34.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

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Freedom of Information Act - [5 U.S.C. 552(b)]

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F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
12e. List	RE: List of participants in meeting with POTUS and AIT officials [SENT FOR AGENCY REFERRAL] (1 pp.)	n.d.	P-1, F-1	
COLLECTION				
Bush Presi	dential Records ecurity Council Files		,	
Taiwan-U.	S 1990 [1]	OA/ID Numi	per CF01316 07/31/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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information |(b)(4) of the FOIA|
F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
14. Memo with cover sheet	From Richard Solomon (State) to Mr. Kimmitt RE: Taiwan's Coordination Council for North American Affairs (CCNAA) (3 pp.)	07/03/90	P-1, F-1, P-5	С
	idential Records ecurity Council Files		,	
FILE LOCATIO	N	OA/ID Num	ber CF01316	,
		Date Closed	07/31/2002	34

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

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information i(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal

privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or grophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
15. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Meesage from Taiwanese President Lee Teng-Hui to POTUS [SENT FOR AGENCY REFERRAL] (3 pp.)	07/05/90	P-1, F-1	S
	dential Records ecurity Council Files			
Taiwan-U.	S 1990 [1]	OA/ID Num	ber CF01316 07/31/2002	1,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

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F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

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F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
19b. Memo	From Brent Scowcroft to POTUS RE: Comment on Roger Porter's memorandum for you on Taiwan and the GATT (2 pp.)	06/18/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		i	
Taiwan-U.	S 1990 [1]	OA/ID Num Date Closed	ber CF01316 07/31/2002	ė,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information |(a)(1) of the PRA|
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- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
19d. Memo	From Roger Porter to POTUS RE: Taiwan and the GATT (2 pp.)	06/26/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 07/31/2002	4

RESTRICTION CODES

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F/1- Drug Paul 00:

PATRICIA SAIKI

DPYLL ADDRESS 1609 LONGWOATH BUILDING WASHINGTON DC 20518 (202) 225-2726 FAX (207) 225-4660

DISTRICT GRACE
300 ALA MIGANA BOULEVARD, ROOM 4104
PRINCE KUHIO FISHANI BURGANA
HIGATURUN HI 94850
(808) 541-2570
FAA (808) 541-2578



Congress of the United States House of Representatives Washington, DC 20515

COMMITTEE ON BANKING, F

FINANCIAL INSTITUTIONS
HOUSING AND COMMUNITY DEVEL
ECONOMIC STABLIZATION
INTERNATIONAL DEVELOPME
FINANCE, TRADE AND
MONETARY POLICY

COMMITTEE ON MERCHANT :

PISHT PLES AND WHILE THE CONSERVATION AND THE ENVIRO OCCANOGRAPHY

SELECT COMMITTEE ON AL

The Honorable George H.W. Bush The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear Mr. President:

We are writing to urge you to support Taiwan's application to the General Agreement on Tariffs and Trade(GATT). As our fifth largest trading partner and the thirteenth largest trading entity in the world, Taiwan deserves to be a member of this multi-national body that governs international trade agreements.

Taiwan has made considerable progress in eliminating many of its foreign trade barriers, and was removed this year from the Administration's "priority watch list", established by the 1988 Trade Act. Not only has Taiwan made great strides in eliminating its trade barriers, it has made considerable progress in creating a more democratic society.

Meanwhile, mainland China has been moving in the opposite direction, toward political oppression and away from free market economic principles. By urging GATT to approve Taiwan's admission before that of the PRC, the United States would send a powerful signal to China's leaders and the world that America looks favorably on governments that promote freedom and open markets.

We respectfully urge you to support Taiwan's application to GATT.

Sincerely,

Patricia Saiki, M.C.

BACON FLANK, M.C.

Barney Frank, M.C.

Neut Dr

Forn Lewis

PATRICIA SAIKI

QUITE ABBRICATI 1803 LONGWONTH BUILDING WASHINGTON, DC 20618 (202) 225-2726 FAX (207) 225-4580

DISTRICT OFFICE:
300 ALA MIGAMA BOSSITIVAND, ROOM 4104
PRINCE KUMIO FISHINA BULGINO
HOMOLULU, HI 50850
(EDB) 041-2570
FAX (808) 541-2575



Congress of the United States House of Representatives Washington, DC 20515

June 15, 1990

COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

EVACOMMETTEE:
FINANCIAL INSTITUTIONS
HOUSING AND COMMUNITY DEVELOPMENT
ECONOMIC STABILIZATION
INTERNATIONAL DEVELOPMENT,
FINANCE TRADE AND

COMMITTEE ON MERCHANT MARINE AND FISHERIES

PRODUMENTAL AND WILDLIFE CONSERVATION AND THE ENVIRONMENT OCCUMORAPHY

SELECT COMMITTEE ON AGING

SUPPORT TAIWAN'S APPLICATION TO GATT

Embarrass China's Leaders

Dear Colleague:

Last week, I asked you to sign a letter to President Bush asking him to press for Taiwan's acceptance into the General Agreement on Trade and Tariffs over that of mainland China's.

In doing so, our government will be sending a strong signal to China's repressive leaders that we look favorably on governments which promote democracy and open markets, and unfavorably on those which stifle economic and political freedom.

We all know of the PRC's horrendous record on human rights and movement back to a centrally planned economy. Unfortunately, we seem to have overlooked Taiwan's significant progress in the trade field and in the political arena. Pressing for Taiwan's inclusion into the GATT might be one more way of rewarding good behaviour while expressing continued disappointment with the actions of China's oppressive regime.

The deadline for signing this letter is at the close of business on Thursday. If you wish to cd-sign this important letter to the President(see reverse), please call Ralph Hellmann or Andrew Leyden on my staff at 5-2726.

Sincerely,

Patridia Saiki

Member of Congress

Early signers:

Nancy Pelosi Chuck Douglas Mike Dewine Herb Bateman Jim Bunning

Newt Gingrich Tom Lewis Steve Schiff Mel Hancock Dana Rohrabacher Barney Frank Michael McNulty Frank Horton Jaime Fuster

(see reverse for letter --->)

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1990 [2]

Re: Coordination of administration activities on Taiwan and the GATT

Re: Taiwan and GATT-MFN

Re: Call on Taiwan President Lee Teng-Hui Re: Option paper on Taiwan and the GATT

Memo on PRC and Taiwan

Letter from various U.S. Senators, Re: Taiwan and the GATT

Re: Excess military equipment in Europe

PCC meeting on Taiwan's GATT application

PCC meeting on Taiwan's GATT application

Agenda and discussion paper for PCC on Taiwan's GATT application

Background paper on Taiwan's GATT application

TPRG (Trade Policy Review Group) discussion on Taiwan and the GATT

The European Community and the Taiwan GATT application

Re: ECC position on Taiwan's GATT application

Re: Taiwan and the U.S. Re: Taiwan and the U.S.

Taiwan Applies for GATT Membership: Challenges for U.S. Policymakers

News article, Re: Taiwan and the GATT

EAP press guidance, Re: Taiwan's GATT application

Lewon 0.5

4678

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

June 11, 1990

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH:

KARL JACKSON XSJ

FROM:

DOUGLAS PAAL

SUBJECT:

Memo Urging Coordination of Administration

Activities on Taiwan and the GATT

You asked for a paragraph for Governor Sununu on the need for coordination of Administration activities with respect to Taiwan and the GATT. At Tab I is a memorandum to the Chief of Staff on this subject.

At Tab II is a copy of a memorandum sent earlier to you for action, commenting on Roger Porter's memorandum to the President on the same issue.

Concurrence by: Timothy Deal C

RECOMMENDATION

That you sign the memorandum to Governor Sununu at Tab I.

Attachments

Tab I Scowcroft-Sununu memo

Tab II

Paal-Scowcroft memo

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS

JGP, 12/18/00 Case No. 99-0182-F

CONFIDENTIAL

Declassify on: OADR

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Taiwan and GATT-MFN [SENT FOR AGENCY REFERRAL] (2 pp.)	05/22/90	P-1, F-1	С
National S Doug Paal FILE LOCATIO		OA/ID Num Date Closed	, ber CF01316 08/01/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
07. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Call on Taiwan President Lee Teng-Hui (5 pp.)	04/25/90	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S 1990 [2]	OA/ID Num Date Closed	ber CF01316 08/01/2002	4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- 4/90

NATIONAL SECURITY COUNCIL

647-6300

Mr Kent Wiedemann

Dept of State

EAP/gem

Rpx 4318

Sent to Mr Wiedemann Via JCS Couries

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08. Background paper with cover sheet	From Doug Spelman (State) to Doug Paal RE: Option Paper, Taiwan and the GATT (7 pp.)	03/22/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 08/01/2002	i,

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09b. Memo with cover sheet	From Richard Solomon (State) to Secretary of State RE: PRC and Taiwan (3 pp.)	n.d.	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
Taiwan-U.	N S 1990 [2]	OA/ID Nur Date Close	nber CF01316 d - 08/01/2002	ń,

RESTRICTION CODES

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LLOTS SONTSEN TENAL GHARMAN

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PANSA S. MANAGETTY, STAN BARRETON AND CHIEF COUNTER

United States Senate

WASHINGTON, DC 20810-8200 -March 2, 1990

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing in support of Taiwan's January 1, 1990 application for membership in the General Agraement on Tariffs and Trade (GATT), and urgs you to commit the full support of the United States to this effort.

Membership for Taiwan in GATT follows naturally and logically from Taiwan's achievement of significant economic status around the world. Taiwan has become a major player as our fifth largest trading partner and the thirteenth largest trading entity in the world. Its foreign exchange reserves rank second in the world and its citizens enjoy an impressively high standard of living. The U.S. should take this unique opportunity to further its own international trade interests and those of the GATT institution by supporting Taiwan's application.

We understand that Taiwan is fully prepared to assume the international responsibilities and obligations of a GATT member. It has taken important trade-liberalization steps, including improvement of intellectual property protection and significant tariff reductions. Taiwan is applying as a "developed" country, under the name of the "Customs Territory of Taiwan, Penghu, Kinmen and Matsu." This clearly limits the application to those areas over which Taiwan has autonomy in the conduct of foreign trade.

We urge you to support the creation of a GATT Working Group and to request that the GATT Secretariat place Taiwan's accession request on the agenda of the next GATT Council meeting. This is an essential first step in our effort to help Taiwan assume its deserved place in the international trade community.

Sincerely,

Fland Bentier

The President March 2, 1990 Page Two

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
12. Memo	From Heather Wilson to Brent Scowcroft RE: Excess military equipment (2 pp.)	02/26/90	P-1, F-1, P-5	S
National Se	dential Records ecurity Council			
Doug Paal FILE LOCATIO Taiwan-U.		OA/ID Num	ber CF01316 08/01/2002	1

RESTRICTION CODES

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United States Department of State

20244

Washington, D.C. 20520

February 21, 1990

Talwam - 45

CONFIDENTIAL .

MEMORANDUM TO:

MR. BRENT SCOWCROFT National Security Affairs Advisor The White House

MR. H. LAWRENCE SANDALL Executive Secretary Central Intelligence Agency

MR. CRAIG HELSING Chief of Staff to the Secretary Department of Commerce

MR. STEVE LANDEFELD Special Assistant to the Chairman Council of Economic Advisers COLONEL GEORGE P. COLE Executive Secretary Department of Defense

MR. GARY EDSON Chief of Staff U.S. Trade Representative

MS. EMILY WALKER Executive Secretary Department of Treasury

SUBJECT: PCC Meeting on Taiwan's GATT Application

Please transmit the attached meeting notification, agenda and discussion paper on Taiwan's GATT Application to principals of the East Asian and Pacific Policy Coordinating Committee.

J. Stapleton Roy Executive Secretary

Attachments:

As stated.

DECLASSIFIED

Department of State Guidelines, July 21, 1997

By JG NARA, Date 12/18/20

CSSE NO. 99-0182-F

DECL: OADR



United States Department of State

Washington, D.C. 20520

FEB 2 1 1990

CONFIDENTIAL MEMORANDUM

TO:

PCC PARTICIPANTS

FROM:

Richard H. Solomon, Chairman

SUBJECT:

PCC Meeting on Taiwan's GATT Application

A meeting of the East Asian and Pacific Policy Coordinating Committee to discuss Taiwan's GATT Application will be held as follows:

DATE:

February 23, 1990

TIME:

10:30 am

PLACE:

Room 6210, State Department

AGENDA: Taiwan's GATT Application

Principals only are invited to attend the meeting. Participants should phone their attendance to Ms. Beth Evans, 647-7711.

An agenda and discussion paper for the meeting are attached.

> DECLASSIFIED Department of State Guidelines, July 21, 1997
>
> By 16 P NARA, Date 12 / 18/00 COSE NO.99-0182

Attachments:

As stated.

DECL: OADR

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
14c. Memo	From Richard Solomon (State) to distribution RE: Agenda and discussion paper for PCC on Taiwan's GATT application (1 pp.)	02/21/90	P-1, F-1, P-5	С
National S Doug Paal			,	
Taiwan-U.	N S 1990 [2]	OA/ID Num	ber CF01316 08/01/2002	

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
14d. Background paper	RE: Taiwan's GATT application (3 pp.)	n.d.	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S 1990 [2]	OA/ID Nun	nber CF01316	,
		Date Closes		

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
15. E-mail	From Eric Melby to Doug Paal, Karl Jackson, and Tim Deal RE: TPRG [Trade Policy Review Group] discussion on Taiwan and GATT (1 pp.)	02/12/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 08/01/2002	i.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
16. E-mail	From Eric Melby to Doug Paal RE: EC and Taiwan GATT application (2 pp.)	02/09/90	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01316 08/01/2002	÷.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
20. Cable	Forwarded from the White House Situation Room to Doug Paal RE: EEC position on Taiwan GATT application (8 pp.)	02/07/90	P-1, F-1, P-5	С
National S Doug Paal			,	
Taiwan-U.	S 1990 [2]	OA/ID Num Date Closed	ber CF01316 08/01/2002	i,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOLA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
21a. E-mail cover sheet	From David V. Kitchen to Paal, Jackson, Gates, Scowcroft RE: Taiwan and the U.S. [SENT FOR AGENCY REFERRAL] (1 pp.)	01/26/90	P-1, F-1	S
COLLECTION				
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S 1990 [2]	OA/ID Num Date Closed	ber CF01316 08/01/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classifled information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial imititutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
21b. Memo	RE: Taiwan and the U.S. [SENT FOR AGENCY REFERRAL] (3 pp.)	n.d.	P-1, F-1	
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Nur Date Closes	nber CF01316 d 08/01/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information ((a)(4) of the PRA
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute |(b)(3) of the FOIA|
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
22. Report	From CIA RE: Taiwan Applies for GATT membership: Challenges for U.S Policymakers (7 pp.)	01/24/90	P-1, F-1, P-5	S
-				
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	S 1990 [2]	OA/ID Num Date Closed	ber CF01316 08/01/2002	0

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

05-Jan-1990 11:55 EDT

MEMORANDUM FOR:

JNET% "MELBY@VAXC" @WHSR "@MRGATE

FROM:

VMSMail User JNET%"WHSR (JNET%"WHSR@WHSR"@MRGATE)

SUBJECT:

Received: From WHSR(WHSR) by VAXC with Jnet id 3866

for MELBY@VAXC; Fri, 5 Jan 90 11:55 EST

Date: Fri, 5 Jan 90 11:51 EST

From: <WHSR@WHSR>
To: MELBY@VAXC

Original To: JNET% "MELBY@VAXC"

<DIST>

SIT: MELBY

<ORIG> REUTER

<TOR>

900105111329

<TEXT>

3

RR YWR ABR

YY WDB

051616 TRD, DIP : BC-TRADE-TAIWAN

TAIWAN BID TO JOIN GATT SAID POSING LEGAL AND POLITICAL PROBLEMS GENEVA, JAN 5, REUTER - AN APPLICATION BY TAIWAN TO JOIN GATT POSES COMPLEX LEGAL AND POLITICAL PROBLEMS FOR THE WORLD TRADE FORUM, DIPLOMATIC SOURCES SAID ON FRIDAY.

THIS IS BECAUSE THE UNITED NATIONS RECOGNISES TAIWAN AS A PROVINCE OF MAINLAND CHINA, AND PEKING, WHICH IS ALSO SEEKING GATT MEMBERSHIP, HAS PREVIOUSLY SUCCEEDED IN KEEPING TAIPEI OUT OF MOST INTERNATIONAL ORGANISATIONS, THE SOURCES SAID.

AN OFFICIAL AT THE GENEVA HEADQUARTERS OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) SAID THE LETTER OF APPLICATION, NOW BEING CIRCULATED AMONG THE ORGANISATION'S 96 MEMBERS, ASKED DIRECTOR-GENERAL ARTHUR DUNKEL TO START AS SOON AS CONVENIENT THE RELEVANT PROCEDURES FOR TAIWAN TO JOIN.

IT ADDED THAT TAIWAN HOPED THESE COULD BE COMPLETED BEFORE THE SCHEDULED END NEXT DECEMBER OF THE URUGUAY ROUND OF WORLD TRADE NEGOTIATIONS BEING CONDUCTED UNDER GATT AUSPICES, THE OFFICIAL SAID.

NORMAL PROCEDURE WOULD BE TO PUT TAIWAN'S REQUEST ON THE AGENDA OF A MEETING OF GATT'S RULING COUNCIL, WHICH COULD SET UP A WORKING PARTY TO CONSIDER IT, BUT THE OFFICIAL SAID IT WAS STILL UNCERTAIN HOW SOON THIS WOULD HAPPEN.

THE NEXT REGULAR MONTHLY COUNCIL MEETING IS SET FOR JANUARY 25. DIPLOMATIC SOURCES SAID THEY EXPECTED IN THE MEANTIME THERE WOULD BE INFORMAL CONTACTS AMONG MAJOR GATT MEMBERS SUCH AS THE UNITED STATES, THE EUROPEAN COMMUNITY AND JAPAN ON THE TAIWAN BID.

THE GATT OFFICIAL SAID TAIWAN BASED ITS APPLICATION ON

Tamen-US

GATT'S ARTICLE 33 WHICH SAYS "A GOVERNMENT ACTING ON BEHALF OF A SEPARATE CUSTOMS TERRITORY POSSESSING FULL AUTONOMY IN THE CONDUCT OF ITS EXTERNAL COMMERCIAL RELATIONS" CAN ACCEDE TO GATT ON TERMS TO BE AGREED WITH EXISTING MEMBER STATES.

DIPLOMATIC SOURCES SAID LEGAL ARGUMENTS WERE LIKELY TO FOCUS ON WHETHER TAIWAN MET THESE CONDITIONS. BOTH PEKING AND TAIPEI INSIST THAT THERE CAN BE ONLY ONE LEGITIMATE CHINA.

NATIONALIST CHINA WAS ONE OF GATT'S 23 FOUNDER MEMBERS IN 1948, BUT A COMMUNIST GOVERNMENT CAME TO POWER THE FOLLOWING YEAR AND QUIT THE ORGANISATION IN 1950, AFTER THE NATIONALISTS FLED TO TAIWAN.

PEKING APPLIED IN 1986 "TO RESUME ITS SEAT" IN THE ORGANISATION, WHICH SETS RULES FOR SOME FOUR-FIFTHS OF INTERNATIONAL COMMERCE BASED ON FREE TRADE PRINCIPLES THAT GUIDE THE WORLD'S MARKET ECONOMIES.

A GATT WORKING PARTY RESUMED CONSIDERATION OF CHINA'S BID LAST MONTH AFTER A SIX MONTHS' PAUSE FOLLOWING PEKING'S CRUSHING OF THE COUNTRY'S PRO-DEMOCRACY MOVEMENT LAST JUNE. REUTER RF RLH

NNNN

Tawan - US

EAP PRESS GUIDANCE January 4, 1989

TAIWAN'S GATT APPLICATION (on an if asked basis)

Q: What is your reaction to Taiwan's GATT application?

A: --WE HAVE JUST HEARD ABOUT THE APPLICATION, AND HAVE NOT YET HAD AN OPPORTUNITY TO STUDY IT CAREFULLY.

--AFTER DOING SO, I EXPECT WE AND THE OTHER GATT CONTRACTING
PARTIES WILL CONSULT CLOSELY AS TO THE NEXT STEPS IN THE
PROCESS. ANY ACTION REGARDING GATT MEMBERSHIP, BY GATT RULES,
MUST BE BASED ON A COLLECTIVE DECISION.

--GIVEN TAIWAN'S IMPORTANCE IN THE GLOBAL TRADING SYSTEM, WE LOOK FORWARD TO THE EVENTUAL INCLUSION OF TAIWAN, ON APPROPRIATE TERMS OF MEMBERSHIP, IN THE GATT.

Drafted: EAP/RA/TC: DGSpelman, x7711

Cleared: EAP/RA/TC: BJSchrage EAP/CM: KWiedemann /

EAP: RCFauver EAP: DAnderson EAP: RHSolomon EB: JAWilliams

P: JStrotz

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan 1992

Re: Shipboard systems for French frigates

Re: Mirage sale to Taiwan Re: The Taiwan Air Force

Re: The Taiwan Air Force - An Appraisal and Estimate

Re: Analysis of Taiwan Air Force

Re: The Taiwan Air Force Re: Arms sales to Taiwan Re: F-16's to Taiwan

Re: Taiwan Mirage jet purchases

Re: June talks - Taiwan's FY-92 requests

Re: Mirage 2000's to Taiwan Re: Mirage fighters for Taiwan

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01. Memo	Memorandum for Senior Director of Asian Affairs, NSC RE: Shipboard Systems for French Frigates (2 pp.)	1992	P-1, F-1, P-5	S
	dential Records ecurity Council Files		v	
FILE LOCATIO Taiwan 19	N	OA/ID Nun	nber CF01505	,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

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P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

08/01/2002

F-2 Release would disclose internal personnel rules and practices of an agency {(b)(2) of the FOIA}

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. E-mail memo	Forwarded from White House Situation Room RE: Mirage sale to Taiwan [SENT FOR AGENCY REFERRAL] (3 pp.)	05/27/92	P-1, F-1	S
*				
COLLECTION Bush Presi	dential Records		,	
	ecurity Council			
FILE LOCATION Taiwan 199		OA/ID Num	ber CF01505	1
		Date Closed	08/01/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

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P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

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F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03b. Cover memo	From Mike McDermott (DOD) to Doug Paal RE: The Taiwan Air Force (1 pp.)	n.d.	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan 19		OA/ID Nur Date Closed	nber CF01505 d 08/01/2002	Ĭ,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
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- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03c. Report	RE: The Taiwan Air Force - An Appraisal and Estimate (5 pp.)	03/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		٧	
FILE LOCATIO Taiwan 19		OA/ID Nun Date Closes	nber CF01505 d 08/01/2002	Α,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03d. Memo	From Barbara Schrage (State) to Mr. Solomon RE: Analysis of the Taiwan Air Force (3 pp.)	04/06/92	P-1, F-1, P-5	S
COLLECTION				
Bush Presi	dential Records			
National S Doug Paal	ecurity Council Files			

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Taiwan 1992

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

OA/ID Number CF01505

08/01/2002

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

Date Closed

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03e. Memo	From James Lilley (DOD) to Assistant Secretary of State RE: The Taiwan Air Force (1 pp.)	03/25/92	P-1, F-1, P-5	S
	idential Records ecurity Council Files	,	,	
FILE LOCATIO Taiwan 19	92		ber CF01505	10
		Date Closed	08/01/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04a. Memo	From CIA to William Clark (State) RE: Arms sales to Taiwan (1 pp.)	08/14/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan 19		OA/ID Num	ber CF01505	
		Date Closed	08/01/2002	,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA|

purposes [(b)(7) of the FOLA]

F-8 Release would disclose information concerning the regulation of

financial institutions |(b)(8) of the FOIA| F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04b. Background paper	RE: F-16's to Taiwan (7 pp.)	08/14/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan 19	N	OA/ID Num	ber CF01505 08/01/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06. Cable	From unknown to White House Situation Room RE: Taiwan Mirage jet purchase [SENT FOR AGENCY REFERRAL] (3 pp.)	07/30/92	P-1, F-1	S
	dential Records ecurity Council Files		7	
FILE LOCATIO Taiwan 19	92	OA/ID Num	ber CF01505 08/01/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute |(b)(3) of the FOIA|

F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|

F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
07. Memo	From Edward Ross (DOD) to Assistant Secretary of Defense RE: June talks - Taiwan's FY-92 requests (9 pp.)	05/07/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		*	
FILE LOCATIO Taiwan 19		OA/ID Num Date Closed	ber CF01505 08/01/2002	4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

his advisors, or between such advisors [a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal
privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute |(b)(3) of the FOIA|

F-4 Release would disclose trade secrets or confidential or financial information ((b)(4) of the FOIA|

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08. Cable	Forwarded from the White House Situation Room to Doug Paal RE: Mirage 2000's to Tiawan [SENT FOR AGENCY REFERRAL] (3 pp.)	05/13/92	P-1, F-1	S
	N	OA/ID Num	ber CF01505 08/01/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
09. Paper	RE: Mirage fighters for Tiawan (1 pp.)	n.d.	P-1, F-1, P-5	TS
COLLECTION				
	dential Records ecurity Council Files			
FILE LOCATION Taiwan 1992		OA/ID Nur	nber CF01505	
		Date Close	d 08/01/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information |(a)(1) of the PRA|
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a](5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC) Folder Title - Taiwan Economic Policy 1992 Re: Summary of Taiwan economic policy

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Cable	Forwarded from Ragle to Doug Paal RE: Tiawan economic policy (18 pp.)	08/04/92	P-1, F-1, P-5	С
	idential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num	ber CF01505	
		Date Closed	08/01/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan GATT 1992

Re: Taiwan and the GATT

Re: China, Taiwan, and the GATT

Re: China and GATT

Re: China and the GATT

Re: China and Taiwan GATT

Re: Latest on Taiwan GATT

Re: Taiwan and the GATT

Re: Taiwan and the GATT: Latest from Geneva

Re: Taiwan

Re: China and Taiwan and the GATT

Re: China and Taiwan's participation in the GATT

Re: Taiwan and the GATT: Consultations

Re: China, Taiwan, and the GATT

Memo from Rufus H. Yerxa, Re: Taiwan and the GATT

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01. Cable	Forwarded from the White House Situation Room to Doug Paal and others RE: Taiwan and the GATT (5 pp.)	10/02/92	P-1, F-1, P-5	С
-				
	dential Records ecurity Council Files	-		
FILE LOCATIO Taiwan GA		OA/ID Num	ber CF01505 08/05/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOLA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Cable	Forwarded from O'Connell to Doug Paal and James Keith RE: China, Taiwan, and the GATT (2 pp.)	07/06/92	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan G		OA/ID Num	ber CF01505	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classifled Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

Date Closed

08/05/2002

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03b. Memo	From Douglas Mulholland (State) to Mr. Zoellick RE: China and GATT (3 pp.)	06/01/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan G		OA/ID Num Date Closed	ber CF01505 08/05/2002	ή.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Cable	Forwarded from Ragle to James Keith RE: China and the GATT (4 pp.)	05/20/92	P-1, F-1, P-5	S
	idential Records ecurity Council Files		٠,	
FILE LOCATIO Taiwan G	N	OA/ID Num Date Closed	ber CF01505 08/05/2002	÷,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute |(b)(3) of the FOIA|

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA|

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
05. Cable	Forwarded from Ragle to James Keith RE: China and Taiwan GATT (2 pp.)	05/19/92	P-1, F-1, P-5	S
-				
	idential Records ecurity Council Files		×	
FILE LOCATIO Taiwan G		OA/ID Nun Date Closed	nber CF01505 I 08/05/2002	-

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute |(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy (b)(6) of the FOIA

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
06a. Note	From JK (James Keith) to DP (Doug Paal) RE: Latest on Taiwan GATT (1 pp.)	04/07/92	P-1, F-1, P-5	
			,	
	idential Records ecurity Council Files		,	
FILE LOCATIO Taiwan G	N	OA/ID Num	ber CF01505	7-
		Date Closed	08/05/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
06b. Cable	From U.S. Mission Geneva to Secretary of State RE: Taiwan and the GATT (2 pp.)	04/07/92	P-1, F-1, P-5	С
COLLECTION				
	idential Records ecurity Council Files		,	
FILE LOCATION Taiwan GATT 1992		OA/ID Num	ber CF01505	
		Date Closed	08/05/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
07. Cable	Forwarded from White House Situation Room RE: Taiwan and the GATT: Latest from Geneva (2 pp.)	03/25/92	P-1, F-1, P-5	С
	dential Records ecurity Council Files			
Taiwan GA	ATT 1992	OA/ID Num Date Closed	ber CF01505 08/05/2002	ζ.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classifled information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
 - F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08. E-mail	From William Tagliani (Geneva) to various RE: Taiwan (3 pp.)	03/17/92	P-1, F-1, P-5	
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan GA		OA/ID Num Date Closed	ber CF01505 08/05/2002	2

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
09. Cable	Forwarded from Ragle to James Keith RE: China and Taiwan and the GATT (3 pp.)	02/13/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files	•	, "	
FILE LOCATIO Taiwan GA		OA/ID Num Date Closed	ober CF01505 08/05/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|

F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
10. Cable	From CIA to various RE: China and Taiwan's participation in the GATT (3 pp.)	02/07/92	P-1, F-1, P-5	S
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	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan G		OA/ID Num	ber CF01505 08/05/2002	Š,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classifled Information ((a)(1) of the PRA)
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
11. Cable	From U.S. Mission Geneva to Secretary of State RE: Taiwan and the GATT: Consultations (3 pp.)	01/31/92	P-1, F-1, P-5	С
COLLECTION				
	idential Records ecurity Council Files		*	
FILE LOCATIO Taiwan G		OA/ID Num Date Closed	ber CF01505 08/05/2002	ζ.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
12. Cable	Forwarded from Ragle to James Keith RE: China, Taiwan and the GATT (4 pp.)	01/29/92	P-1, F-1, P-5	S
National S	dential Records ecurity Council			
Doug Paal FILE LOCATIO Taiwan GA	N	OA/ID Num	ber CF01505 08/05/2002	i,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classifled Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
13b. Memo with attachment	From Ambassador Rufus H. Yerxa to Carla Hills RE: Taiwan and the GATT (5 pp.)	01/27/92	P-1, F-1, P-5	С
	dential Records ecurity Council Files			
FILE LOCATIO Taiwan GA	N	OA/ID Num Date Closed	ber CF01505 08/05/2002	÷,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

White House Staff and Office Files - Douglas Paal Files (NSC) Folder Title - Taiwan Guidelines for Travel USG Travel to Taiwan

USG Travel to Taiwan

The policy on official travel by U.S. Government employees to Taiwan, as described in the attached memorandum of November 12, 1982, remains current. The two essential rules for such travel are:

- -- Travel must be essential for USG business that cannot be accomplished by any other means;
- -- Traveler must be at the "working level" (generally interpreted as office director or below).

Deviation from this policy is approved by the Assistant Secretary or Deputy Assistant Secretary for East Asian and Pacific Affairs only. Exceptions in the past have been rare and limited almost exclusively to trade related activities.

Except as escorts for Congressional delegations, members of the U.S. armed forces are not permitted to make official trips to Taiwan. See "Military" Tab for rules on DOD travel.

USG employees who travel to Taiwan do so as consultants to AIT/T and must use regular tourist passports only.

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INFO OCT-00 ADS-00 PER-05 EUR-12 /029 R

DRAFTED BY EA/RA/TC: SJPRICE APPROVED BY EA/RA/TC: JJTKACIK

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R 071717Z JUL 80 FM SECSTATE WASHDC TO AMEMBASSY MOSCOW

UNCLAS STATE 178470

E. O. 12065: N/A

TAGS: OVIP. OTRA

SUBJECT: NOTIFICATION OF FOREIGN TRAVEL TO TAIWAN

REF: MOSCOW 18124

FOLLOWING IS A REPEAT QUOTE R 172220Z MAR 79 FM SECSTATE WASHDC -- STATE Ø66586

- FOLLOWING IS GUIDANCE GOVERNING TRAVEL TO TAIWAN BY ALL USG OFFICIALS, INCLUDING THOSE SERVING ABROAD.
- 2. EFFECTIVE IMMEDIATELY, OFFICIAL TRAVEL TO TAIWAN BY ANY MEMBER OF THE U.S. GOVERNMENT REQUIRES PRIOR DEPARTMENT OF STATE CONSENT. UNDER A STANDING AGREEMENT WITH THE NSC, THE DEPARTMENT WILL CONSULT AS NECESSARY WITH THE NATIONAL SECURITY COUNCIL IN REACHING ITS DECISIONS.
- 3. REQUESTS FOR TRAVEL CLEARANCE SHOULD CONTAIN A DETAILED RATIONALE FOR THE VISIT, INCLUDING REASONS WHY THE FUNCTION CANNOT BE CARRIED OUT IN THE UNITED STATES, OR THROUGH THE AMERICAN INSTITUTE IN TAIWA', OR BY NON-GOVERNMENT CONTRACTORS. PLEASE FORWARD CLEARANCE REQUESTS AT LEAST TWO WEEKS IN ADVANCE.
- 4. _USG OFFICIALS OF ASSISTANT SECRETARY LEVEL AND MILITARY OFFICERS OF THREE OR FOUR STAR FLAG OR GENERAL_OFFICER RANK SHOULD INFORM THE STATE DEPARTMENT IN ADVANCE OF THEIR PLANS FOR PRIVATE (PRIVATE UNDERSCORD) VISITS TO TAIWAN, PERSONNEL BELOW THESE LEVELS MAY TRAVEL TO TAIWAN FOR PERSONAL REASONS WITHOUT NOTIFYING THE STATE DEPARTMENT. PERSONS ON PRIVATE VISITS SHALL NOT CONDUCT OFFICIAL BUSINESS NOR CONTACT THE LOCAL AUTHORITIES IN AN OFFICIAL CAPACITY WHILE ON TAIWAN.
- 5. THE PROVISIONS OF THIS DIRECTIVE WILL APPLY TO DOD PERSONNEL BEGINNING MAY 1, 1979. PRIOR TO MAY 1, DOD TRAVEL CLEARANCE FOR TAIWAN WILL BE HANDLED UNDER EXISTING DOD CLEARANCE PROCEDURES. VANCE UNQUOTE CHRISTOPHER



DEPARTMENT OF STATE

Washington, Q.C. 707-33

TRVL

February 27, 1979

MEMORANDUM TO: Distribution List

FROM:

Peter Taincif, Executive Secretary

Department of State

SUBJECT:

Notification of Foreign Travel to Taiwan

Effective March 1, official travel to Taiwan by any member of the U.S. Government requires prior Department of State consent. Under a standing agreement with the NSC, the Department will consult as necessary with the National Security Council in reaching its decisions.

For your convenience, I attach copies of the Department's earlier instructions for obtaining clearance for travel at the Assistant Secretary level and above. Please follow the same procedures for all travelers to Taiwan.

Requests for travel clearance should contain a detailed rationale for the visit, including reasons why the function cannot be carried out in the United States, or through the American Institute in Taiwan, or by non-government contractors. Flease forward clearance requests at least two weeks in advance.

USG officials of Assistant Secretary level and military officers of flag or general officer rank should inform the State Department in advance of their plans for private visits to Taiwan. Personnel below these levels may travel to Taiwan for personal reasons without notifying the State Department. Persons on private visits shall not conduct official business nor contact the local authorities in an official capacity while on Taiwan.

The provisions of this directive will apply to DOD personnel beginning on May 1, 1979. Prior to May 1, DOD travel clearance for Taiwan will be handled under existing DOD clearance procedures.



DEPARTMENT OF STATE

- Washington, C.C. 20520

MEMORANDUM

June 14, 1978

IDT =

Distribution List

SUBJECT: Notification of Foreign Travel

The President's memorandum of December 27, 1977 and my subsequent memorandum of January 5, 1978, supercede the attached Passport Office directive of July 29, 1977, which indicates that "Notification of Travel" forms on all government employees should be sent directly to Department of State regional desks. Current guidelines require that only officials at the Assistant Secretary level and above or the equivalent notify this Department of intended foreign travel and that these notifications be routed to the Executive Secretariat. It is not enecessary to send separate notification to the Passport Office or the regional desks.

Procedures concerning the issuance of no-fee passports as outlined in the July 29 Passport Office directive remain unchanged.

I would appreciate your conveying these guidelines to all those administering for aign travel within your agency. In addition, a revised form for use in notifying the Department of travel is attached to this memorandum.

Peter Tarnord Executive Secretary

Attachments:

- 1. President's Memorandum of December 27
- Procedural guidelines for Notification of Foreign Travel dated January 5
- 3. New Notification Form
- Memorandum of July 29, 1977, concerning travel and no-fee passports



DEPARTMENT OF STATE

Weemerton, 3.C. 33123

January:5; 1978/

EDT:

Distribution List

FROM:

Peter Tarmoff

Executive Secretary Department of State

SUBJECT: Notification of Foreign Travel

Following up on the President's memorandum of December 27 to the heads of executive departments and agencies, I am enclosing a standard form for your use in notifying this Department of travel by senior administration officials. The Department will do its best to respond to requests within five working days of receipt of notification.

If there is insufficient time to provide written notification, your office may give the required information by phone to the Office of the Director of the Secretariat Staff (tel. 632-0318). We ask, however, that you strictly limit these phone requests to those cases where time is insufficient to submit a written notification. Our Executive Secretariat will respond to you first by phone and then in writing using the attached form.

The Department will use interagency mechanisms whenever appropriate in reviewing these travel plans. In the case of proposed travel to the Soviet Union, the Department will refer the proposal to the Interagency Coordinating Committee for US-Soviet Affairs (ICCUSA) for interagency consultation as appropriate and for decision.

Attachments:

Standard Form Distribution List

				,		
TO:	Executive Secretariat					
	Room 7241 Department of State					
	Department of Court					
FROM:						
SUBJECT:	Notification of Foreig	n Travel			1,	
Traveler'	s Name and Title:	,				
Date of T	ravel:					
Cities/Co	untries to be Visited:					
Purpose:						
Anticipat	ed Contact with Foreign	Officials:				
				, , ,		2
		DATE				
					-	
TO. (Not	ifving Agency to fill in	complete return	addre	ss and		
tel	ephone number of contact	person)				
		of Foreign Travel le: Visited: DATE To fill in complete return address and				
ATTN:						
т	he Department of State h	as no object:	ion to	this t	ravel	
R	emarks:					

DATE

L. Paul Bremer, III Executive Secretary

ME . JUL 29 1977

memorandum

Fassport Office

Fassport Procedures - Distribution of No-Fee Fassport Authorizations and Notification of Travel Forms

To: All U.S. Government Agencies
International Travel Coordination Offices

The Official Travel Section of the Fassport Office has conducted a survey to improve its workflow procedures. As a result of this survey, the routing of "Notification of Travel" forms through the Passport Office has been determined to be unnecessary and wastaful of manpower. In the past, the Department of State asked that each Federal Agency inform the appropriate country officer of the Department of intended travel of their personnel. Under the procedure established to assure this, the Passport Office has received these notices with passport applications, and upon approval of subsequent official travel and has routed a copy to the country officers.

Effective immediately, the routing of these "Notification of Travel" forms to the Passport Office is to be discontinued. In concurrence with the geographic area directorates, these forms are to be sent directly to the appropriate office within the Department of State. There is attached a routing list, giving the names of those countries which require notifications, their area designations and room numbers within the Department.

This new routing procedure will eliminate the unnecessary "middleman" role now performed by the Passport Office.

Please note that this is to affect only "Notifications of Travel." Two
copies of letters of authorization required for the issuance of a no-fee
passport (and for amendment of a passport or for withdrawal of a passport
from our files) must still accompany all such requests. AUTHORIZATION
PROCEDURES ARE UNCHANGED BY THIS MEMORANDUM.

Attachment: As stated

ROOM 35LT DEPARTMENT OF STATE WAZHINGTON, D. C. 20520

ALGZETA MALI

BENIN (DAHOMEY) MAURITIUS

BOTSWANA MOROCCO

CAMEROON MOZAMBIQUE

CENTRAL AFRICAN EXPIRE NAMIBIA

CEAD NIGER .

CCMOROES NIGERIA

ETHIOPIA RWANDA

EQUATORIAL GUINEA SENEGAL

GABON SIERRA LEONE

GEANA SIERRA LEONE

GUINEA SOUTE AFRICA

GUINEA-BISSAU SUDAN

IYORY COAST SWAZILAND

KENYA · TANZANIA

LESOTEO TOGO

LIBERIA TUNISIA

LIBYA UGANDA

MADAGASCAR UPER VOLTA

MALAWI ZAIRE

ZAMBIA

EA/EX ECOM 4315 DEPARTMENT OF STATE WASHINGTON, D. C. 20520

AUSTRALIA

BURMA

AKIED

INDONESTA

JAPAN

KOREA

LAGS

MAYTASTA

NEW ZEALAND

EUR/EE ROOM 5220 DEPARTMENT OF STATE WASHINGTON, D. C. 20520

BULGARIA

CZECEOSLOVAKIA

EDMCYSA

ECLAND.

ROMANIA

YUGOSTAVIA

SCALET MMICH

NEA/EC ROOM 4249

DEFARTMENT OF STATE WASHINGTON. D. C. 205

AFGHANISTAN

BARRETY

BANGLADESE

CEYLON

CYPRUS

GREECE

IND IA

EAN.

ISRAEL

JORDAN

KUWAIT

LEBANON

ARA/TA ROCHE 3906 DEFARTMENT GE BLALL WASHINGTON, D. C. 20520

ARGENTINA

BARBADOS

BOLIVIA

BRAZIL.

ERITISE EONDURAS

CHILE

COLOMBIA

COAST RICA

DOMINICAN REPUBLIC

ECUADOR

EL SALVADOE

GUATEMALA

GUYANA

FAITT

JONDURAS

JAMAICA

MEXICO

MICARAGUA

PANAMA

PARAGUAY

PERU

TRINIDAD AND TOBAGO

URUGUAY

VENEZUELA.

Treasury	Curt Hessler	566-2269
	Acting Executive Secretary	
	-1	

Defense Adm. Thor Hanson 695-5261 Military Assistant to the Sec.

INEC: Major Wilabee OAS/ISA, Fentagon, Rm. 4E821

Army, Navy, Air Force (Travel requests sent through Defense) Attorney General Perry Adamson 739-3991 Special Assistant to Att. Gen. Charles M. Farrish 343-7357 Interior Executive Assistant to Sec. Lee C. Corcoran USDA 447-5538 . Executive Assistant to Sec. Isabel Eyde 377-2113 Commerce Executive Assistant to Sec. 523-8231 Labor Paul Jensen Executive Assistant Rick Cotton 245-9098 HEW Executive Assistant Donna Wolf 755-7654 HUD Director, Executive Secretariat 426-4277 Transportation Linda Smith Executive Assistant to Sec. Carol Gorry 252-5777 Energy Executive Assistant 254-7264 James Duke ACTION Executive Officer

Administrative Conference of the United States
Joseph Scott
Executive Director
254-7020

AID Mr. Verne Newlin' Executive Secretary 632-1300 Secretary of Commission
American Fattle Monument Commission
Washington, D.C. 20314 (693-6094)

Edgar C. Good Special Assistant American National Red Cross Washington, D.C. 20006 (857-3344)

James G. Bleckley
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Appalachian Regional Commission
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Benjamin Evans
Executive Secretary
Central Intelligence Agency
Washington, D.C. 20505 (351-4301)

J. Michael Rederer

Special Assistant
Civil Aeronautics Board
Washington, D.C. 20428 (673-5522)

James C. Spry
Executive Assistant
Civil Service Commission
Washington, D.C. 20415 (632-5556)

John A. Euggs Staff Director Commission on Civil Rights Washington, D.C. 20425 (254-6644)

Charles Atherton Secretary Commission of Fine Arts 708 Jackson Flace, N.W. Washington, D.C. 20006 (566-1066)

Donald Tendick
Acting Executive Director
Commodity Futures Trading Commission
2033 E Street, N.W.
Washington, D.C. 20581 (254-1350)

William Allison
Deputy Director
Community Services Administration
Washington, D.C. 10506 (254-5590)

John U. Heller
Assistant to the Comptroller
Office of the Comptroller General
Washington, D.C. 20548 (275-5534)

Robert Verdisco Executive Assistant to the Chairman Consumer Product Safety Commission Washington, D.C. 20207 (634-7740)

Mary Ann Massey
Executive Assistant
Environmental Protection Agency
Washington, D.C. 20024 (755-2705)

C.W. Pletcher
Executive Director
Committee for Furchase from the Blind
. and other Severely Eandicapped
Suite 610
2009 14th Street, North
Arlington, Virginia 22201 (557-1145)

Eve Wilkins
Special Assistant to the Chairman
Equal Employment Opportunity Commission
Washington, D.C. 20506 (634-6700)

Matt Schaffer

Special Assistant to the President

Export-Import Bank of the United States
Washington, D.C. 20571 (566-4697)

B. Ben Sunbury
Special Assistant
Farm Credit Administration
Washington, D.C. 20578 (755-2146)

Frank Lloyd
Administrative Assistant to the Chairman
Federal Comunications Commission
Washington, D.C. 20554 (4532-6556)

Lewis G. Odom, Jr. 637-6600 Deputy to the Chairman. Federal Deposit Insurance Comporation Washington, D.C. 2055Z (389-4208)

Cwen B. Melton, Jr.
Assistant to the Chairman
Federal Ecne Loan Bank Board
Washington, D.C. 20881 (377-4273)

Executive Assistant to the Chairman Federal Maritime Commission Washington, U.C. 20571 (521-5706)

John Grimes
Executive Assistant
Federal Mediation and Conciliation Service
Washington, D.C. 20427 (653-5270)

John M. Denkler
Managing Director for Operations and Supermision.
Board of Governors of the Federal Reserve System
Washington. D.C. 20551
452-1764

Marjery Waxman Smith Executive Director Federal Trade Commission Washington, D.C. 20580 523-3740

Francis T. Masterson
Executive Director
Foreign Claims Settlement Commission
Washington, D.C. 20579
653-6155

Janice Mendenhall
Assistant Administrator for Administration
General Services Administration
Washington, D.C. 20405
566-0683

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653-6605

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Washington, D.C. 20401
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Deputy Director for Administration
United States International Trade Commission
Washington, D.C. 20436
523-0127

White House Staff and Office Files - Douglas Paal Files (NSC) Folder Title - Taiwan Human Rights Letter from Formosan Association for Human Rights



9205734

全 美 合 灣 人 樵 協 會 FORMOSAN ASSOCIATION FOR HUMAN RIGHTS

PRESIDENT Ting-Yee(Tim) Wang

March 3, 1992

VICE-PRESIDENT Stephen Lin

> President George Bush The White House

TREASURER Strong Chuang

Washington, D.C. 20050

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Re: Taiwanese Human Rights and Taiwan Independence

Dear Mr. President:

LEGAL ADVISORS David P. C. Chiang Dean L. McAdams Stephen Lee Wendel K. Hu Michael Trai Raymond Wu As you might already be aware, the KMT Authorities in Taiwan have arrested 17 dissentients within the last 12 months on sedition charges, in order to crack down on the uprising of the Taiwanese Independence Movement. Seven of the arrested are residents of the United States of America, professor George Tsan-Hong Chang, Professor Ying-Yuan Lee, Dr. Pei-Horng Kuo, and Dr. Kang-Lu Wang are still detained in jail. Dr. Chung-Kung Kuo and Mr. Ming J. Lin were deported. Mr. Rong-Fang Chen is released on bail.

EXECUTIVE DIRECTOR Ken S. Huang

The actions of the KMT Authorities are in gross violation of basic Human Rights in the terms of freedom of expression, assembly, association, freedom to take part in the Government and freedom to return to ones home land as guaranteed in the Universal Declaration of Human Rights, in which the Republic of China is a signatory. The actions of the KMT Authorities are also challenging the will of the Taiwanese people for democratic reform and self determination. That in turn is disturbing the peaceful, yet progressive process of the relationship between the "Foreign" Chinese Government (namely the KMT Authorities) and the Native Taiwanese People. Only a new independence government elected by the people, with respect to Human Rights, can politically stabalize Taiwan and secure the relationship with the world communities including USA and the Peoples Republic of China (PRC).

A government, such as the KMT Authorities, trying to justify the myth that is the sole legitimate government of China, running away from reality in order to continue its totalitarian rule, is damaging the political stability in Taiwan and should be outlawed. Instead, the United States Government is remaining silent on the KMT activities of violating the Taiwan Relations Act, (TRA), which has called for "respect to the Human Rights of all the inhabitants of Taiwan."

continued on 2nd page...

The Taiwan Relation Act also states that "The preservation and enhancement of the human rights of all the people of Taiwan, are hereby reaffirmed as objectives of the United States". As an officer of the "Formosan Association For Human Rights", and a loyal Taiwanese-American Citizen, I would appreciate your kindness in clearing up some questions in my mind, as well as in many other Taiwanese-Americans' minds:

- 1. Hundreds of Taiwanese-Americans won't be able to return to their homeland, as well as many other Americans are denied visas to visit Taiwan, because they oppose the policies of the KMT. What is the position of this Administration? Have any actions been taken to improve the situation?
- 2. The "blacklists" of those who were denied visas to Taiwan were obviously the surveillance products of the KMT agents in the USA. Have any actions been taken or, are any to be taken by this Administration to stop this dilemma?
- 3. For those Four Taiwanese-Americans jailed by the KMT upon returning to Taiwan, just because they advocate Taiwan Independence from China, such as Professor George Tsan-Hong Chang, Professor Ying-Yuan Lee, Dr. Pei-Horng Kuo and Dr. Kang-Lu Wang, what steps have been taken by this Administration for their release?
- 4. To recapture Mainland China by the KMT is a policy which has failed. Advocation of Independence of Taiwan, which is opposed to the policies of the KMT, is for freedom of speech, yet many leaders who advocate independence for Taiwan have been put in jail. As a champion of freedom of speech, what is the White House's position?
- 5. The issue of Human Rights improvement is one of the conditions in the trade negotiations between the United States and China. Why should not Human Rights be the issue in the future negotiations of military hardware purchases between the USA and Taiwan?
- 6. The Human Rights of Taiwanese people were not concerned in the "Shanghai Communique" by stating that, "The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain, there is but one China and that Taiwan is a part of China." It is in contrary to the Human Rights principle of the Taiwan Relations Act (TRA). What measures have been taken by the White House to correct it and to implement the TRA principle?
- 7. The future of Taiwan should be determined by the people of Taiwan. Why should not the briefing on the issues of Taiwan be only to Taiwanese-Americans who have bitter feelings of their homeland?

Thank-you very much for your prompt attention. Your reply, item by item, shall be deeply appreciated.

Very respectively Yours,

Ting-Yee Wang President

attachment: Background of Five Taiwanese-American Political Prisoners of Conscience.

CAMPAIGN TO FREE 5 TAIWANESE-AMERICAN POLITICAL PRISONERS

The Kuomintang government in Taiwan has blacklisted many supporters of human rights and democracy. This policy bars native Taiwanese from returning to their homeland. According to the State Department, in the first eight months of 1990 alone, over 5,000 overseas Taiwanese were denied entry to Taiwan.

As exiles in the United States, 5 leaders of the Taiwan Independence movement managed to return to Taiwan, but all were arrested by authorities there. They were charged with 'sedition' for advocating Taiwan's independence from China. The following are biographies of these 5 people.

Dr. George Tsan-hong Chang Age: 55

Profession: Former Professor Chemical Engineering and Department Chair at Cooper Union in New York

Residence: New Jersey

Dr. Chang came to the United States for graduate studies 30 years ago. He received a doctorate in chemical engineering from Rice University in Texas in 1966. He was president of WUFI (World United Formosans for Independence) from 1972 to 1987, and was elected again in 1991. He was blacklisted for promoting a free, democratic, and independent Taiwan. KMT indicted him and issued a warrant for his arrest on sedition charges. When he offered to go back to face trial, the Taiwan authorities denied him the right to return. He returned to Taiwan after 30 years in exile in the United States. He was arrested at Taipei International airport on December 7, 1991, after he flew in from Tokyo and intended to clear immigration with Japanese papers. He was charged with illegal entry into Taiwan and sedition under the infamous "Article 100" of the Criminal Code. He could receive life sentence.

Dr. Kang-lu Wang

Profession: Plant Physiology

Residence: Glen Rock, New Jersey

Dr. Kang-lu Wang came to the United States in 1964 to pursue graduate studies at Kansas State University. He received a doctorate in Plant Physiology in 1971. Dr. Kang-lu Wang is the Secretary-general of WUFI. He has been blacklisted by the Kuomintang authorities and was denied entry to Taiwan on December 1990 when he attempted to return to see his 95 year-old mother on her sickbed before she passed away. On October 20, 1991, he was arrested and charged with "illegal entry into Taiwan" and "sedition" under the infamous "Article 100" of the Criminal Code.

Age: 50

Professor Ying-yuan Lee

Age: 38

Profession:

Assistant Professor of Health Services Administration in the School of Business

University of South Dakota

Residence:

Vermillion, South Dakota

Prof. Ying-yuan Lee came to the U.S. for graduate studies in 1980. He has been on the blacklist for advocating democracy and independence for Taiwan. In July 1990, Dr. Ying-Yuan Lee, vice-president of WUFI's U.S. chapter, went to Taiwan to present an academic paper that would compare international health care delivery systems. Taiwan's KMT government denied him a visa. Nevertheless, Dr. Ying-yuan Lee went to Taiwan and went into hiding. He was arrested on September 2, 1991, and was charged with "preparing for sedition."

Dr. George Pei-hong Kuo

Age: 36

Profession:

Engineer and Newspaper Publisher

Residence:

Los Angeles

Dr. Kuo came to the U.S. in the early 1980s to pursue graduate studies in Civil Engineering at North Carolina State University. He is a permanent resident of the United States. He had been blacklisted by the KMT government because of his political beliefs, and has been denied his right to return home. Dr. Kuo, current president of the U.S. chapter of WUFI, was arrested on August 30, 1991, when he attempted to enter Taiwan using a passport under a different name. He has been indicted on charges of "illegal entry into Taiwan" and "sedition" under "Article 100."

Mr. Rong-fang Chen

Age: 42

Profession:

Merchant

Residence:

New Jersey

Mr. Chen came to the U.S. in 1977 on assignment by Taiwan Garrison Command to gather information of WUFI. He defected and was granted political asylum. He began to run a liquor store in New Jersey. In December 1991, he returned to Taiwan and was arrested on January 23, 1992 under the charge of "illegal entry" and "sedition." He is a special assistant to WUFI President.

United States Department of State



Washington, D.C. 20520

March 26, 1992

Mr. Ting-Yee Wang President Formosan Association for Human Rights P.O. Box 1469 Sunset Beach, CA 90742-1469

Dear Mr. Wang:

I am replying on behalf of President Bush to your letter of March 3 regarding the arrest of several dissidents in Taiwan over recent months. The American Institute in Taiwan is monitoring these cases and reports regularly on their status. These arrests were included in the State Department's most recent human rights report to the Congress on Taiwan.

In recent years, Taiwan has made significant progress in improving its human rights policies and practices. We remain concerned, however, about lingering human rights problems in Taiwan, particularly about Taiwan's "blacklist", which prevents certain Taiwan citizens from returning to their homeland. This practice does not meet internationally accepted norms such as the Universal Declaration on Human Rights. It is a fundamental tenet of US policy that persons should not be persecuted for their political beliefs or lawful associations. We view violations of these basic human rights very seriously and have strongly protested such violations when they occur. We must note, however, that in some of the cases you have cited, the individuals are United States citizens and the Declaration's obvious application to United States citizens is that they have the right to re-enter the United States -- not necessarily Taiwan. Moreover, we certainly would take legal action against any person fraudulently trying to enter the United States under a false passport.

We do not know on what basis Taiwan authorities place individuals on the "blacklist" and cannot substantiate your allegation that inclusion on the list is always the result of surveillance by agents of the Taiwan authorities in the US. The political views and activities of many Taiwan dissidents abroad can be ascertained from open sources. Nevertheless, we take seriously any actions by agents for foreign governments on US territory which are counter to US law or policy. Such matters are dealt with by appropriate law enforcement agencies.

The US takes no position on Taiwan independence and reunification with the mainland other than an expressed interest in a peaceful resolution of the Taiwan question by the Chinese on both sides of the Taiwan Strait. We see no contradiction between that policy and our obligations under the Taiwan Relations Act to support human rights on Taiwan. Moreover, we believe that the current process of political reform on Taiwan has significantly improved the human rights situation there.

We share your basic concern over the continuing practice by Taiwan authorities of bringing criminal charges against individuals exercising freedom of expression. We hope that the ongoing democratization process on Taiwan and current consideration by the authorities to revise the sedition law will improve the overall human rights situation on Taiwan.

Sincerely,

Barba J. School

Barbara J. Schrage Advisor, Taiwan Coordination Staff

Attachment: correspondence returned.

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1992 [1]

Re: Taiwan F-16 cable

Re: Taiwan military purchases

Re: Meeting on Taiwan military issues Re: Discussions on F-16's for Taiwan

Re: F-16's for Taiwan

Re: Business and Taiwan policy

Re: Taiwan-U.S. business relationship

Re: French Mirage jets to Taiwan

Re: French Mirage jets to Taiwan

Re: Memo of conversation on Taiwan and Mirage sale

Re: Mirage sale to Taiwan

Re: Taiwan press reports agreement on Mirage purchase

Re: Taiwan Mirage / F-16 purchases

Re: Taiwan President's letter to President Bush



U.S. DEPARTMENT OF COMMERCE International Trade Administration International Economic Policy

October 5

Tainen-US

To : Doug Paal

From: Franklin L. Layin

Deputy Assistant Secretary for East Asia and the Pacific

Per your phone conversation with Tom Deusterberg on Friday, attached is the draft cable cleared by Commerce and State.

unclassified with SECRET attachment

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01a. Concurrence record	From Ian Davis (Department of Commerce) to various RE: Taiwan F-16 cable [SENT FOR AGENCY REFERRAL] (1 pp.)	10/02/92	P-1, F-1	S
	dential Records ecurity Council Files			
FILE LOCATIO		OA/ID Num	ber CF01505	
		Date Closed	08/05/2002	1,4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01b. Cover sheet	Cover sheet for secret materials [SENT FOR AGENCY REFERRAL] (1 pp.)	n.d.	P-1, F-1	S
	dential Records ecurity Council Files		,	
FILE LOCATIO	N	OA/ID Nun	nber CF01505 i 08/05/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

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P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions ((b)(8) of the FOIA)

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

Withdrawal/Redaction Sheet (George Bush Library)

SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
From Frank Lavin (State) to Thomas J. Duesterberg (Commerce) RE: Taiwan F-16 cable (1 pp.)	n.d.	P-1, F-1, P-5	S
Files			
	OA/ID Num Date Closed		
	From Frank Lavin (State) to Thomas J. Duesterberg (Commerce)	From Frank Lavin (State) to Thomas J. Duesterberg (Commerce) RE: Taiwan F-16 cable (1 pp.) dential Records scurity Council Files N	From Frank Lavin (State) to Thomas J. Duesterberg (Commerce) RE: Taiwan F-16 cable (1 pp.) dential Records recurity Council Files

RESTRICTION CODES

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- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOLA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01d. Draft cable	From AIT, Washington D.C. to William Clark and Thomas J. Duesterberg RE: Taiwan and U.S. business (5 pp.)	10/01/92	P-1, F-1, P-5	s
, .				
	dential Records ecurity Council Files		4	
FILE LOCATIO	N	OA/ID Num	ber CF01505	
Taiwan-U.	3. 1772 [1]	Date Closed		4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
02. Cable	Forwarded from White House Situation Room to O'Leary, Paal, and Gompert RE: Taiwan military purchases (5 pp.)	09/23/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		v	
FILE LOCATIO Taiwan-U.	N S. 1992 [1]	OA/ID Num	ber CF01505	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

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Date Closed

08/05/2002

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F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Cable	Forwarded from White House Situation Room to O'Leary, Paal, and Melby RE: Meeting on Taiwan military issues (3 pp.)	09/21/92	P-1, F-1, P-5	s
		-		
	idential Records ecurity Council		,	
Doug Paal				
FILE LOCATIO Taiwan-U.	N S. 1992 [1]	OA/ID Num	ber CF01505	
		Date Closed		-

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Cable	Forwarded from White House Situation Room to O'Leary and Paal RE: Discussions on F-16's for Taiwan [SENT FOR AGENCY REFERRAL] (3 pp.)	09/21/92	P-1, F-1	S
National S Doug Paal FILE LOCATIO	N S. 1992 [1]	OA/ID Num	ber CF01505 08/05/2002	1

RESTRICTION CODES

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- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
06a. Cover note	From 'D' to Doug Paal RE: Business and Taiwan policy [SENT FOR AGENCY REFERRAL] (1 pp.)	n.d.	P-1, F-1	
	dential Records		,	
Doug Paal	Files N	OA/ID Nor	nber CF01505	
Taiwan-U.		Date Close		4

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

purposes (103/7) of the POIA| F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06b. Cable	From CIA to various RE: Taiwan-U.S. business relationship [SENT FOR AGENCY REFERRAL] (4 pp.)	09/16/92	P-1, F-1	S
	dential Records ecurity Council Files	-	×	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01505 08/05/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(I) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
07. Cable	Forwarded from White House Situation Room RE: French Mirage jets to Taiwan [SENT FOR AGENCY REFERRAL] (3 pp.)	09/09/92	P-1, F-1	S
	dential Records ecurity Council Files			
FILE LOCATIO		OA/ID Num	ber CF01505	
		Date Closed	08/05/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
08. Cable	Forwarded from White House Situation Room RE: French Mirage jets to Taiwan (4 pp.)	09/10/92	P-1, F-1, P-5	S
COLLECTION				
Bush Presi	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.		OA/ID Num	ber CF01505	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would contitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

08/05/2002

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09. Memo	From Nat Bellocchi (AIT) to file RE: Memo of conversation on Taiwan and Mirage sale (1 pp.)	09/10/92	P-1, F-1, P-5	S
	idential Records ecurity Council Files		· ·	
FILE LOCATIO		OA/ID Norm	ber CF01505	
i aiwan-U.	S. 1992 [1]			-
		Date Closed	08/05/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
10. Cable	Forwarded from White House Situation Room RE: Mirage sale to Taiwan (7 pp.)	09/08/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		, ,	
FILE LOCATIO		OA/ID Num Date Closed	ober CF01505 08/05/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

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- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Tauvan, 45

NATIONAL SECURITY COUNCIL

06-Sep-1992 07:37 EDT

MEMORANDUM FOR:

FROM:

(WHSR ROUTER@WHSR)

SUBJECT:

TAIWAN PRESS REPORTS AGREEMENT ON MIRAGE

<DIST>

SIT: PAAL VAX

<DIST>

SIT: VAX

<PREC>

IMMEDIATE

<CLAS>

UNCLASSIFIED

<OSRI>

RUEHIN

<DTG>

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<ORIG>

FM AIT TAIPEI

<TO>

TO RUEHBJ/AMEMBASSY BEIJING NIACT IMMEDIATE 5747 RUEHC/AIT WASHDC IMMEDIATE INFO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1027 RUEHMO/AMEMBASSY MOSCOW PRIORITY 0533

<SUBJ>

TAIWAN PRESS RÉPORTS AGREEMENT ON MIRAGE
- PURCHASE

<TEXT>

BT

UNCLAS SECTION 01 OF 03 TAIPEI 06370

BEIJING FOR AMBASSADOR ROY

E.O. 12356: N/A

TAGS: PREL, MASS, TW, FR, US

SUBJECT: TAIWAN PRESS REPORTS AGREEMENT ON MIRAGE

PURCHASE

1. FOLLOWING ARE AIT TRANSLATIONS OF REPORTS IN THE LOCAL PRESS SEPTEMBER 6 ON SALE OF MIRAGE 2000-5 FIGHTER AIRCRAFT TO TAIWAN. THE TWO LEADING DAILIES,

THE CHINA TIMES AND THE UNITED DAILY NEWS, WERE THE ONLY MAJOR PAPERS TO CARRY THE STORY.

2. UNITED DAILY NEWS, FRONT PAGE LEAD: "SIXTY FRENCH MIRAGE FIGHTERS WILL BE SOLD TO US AT A DISCOUNT OF 20 PERCENT; THE OVERALL PRICE WILL BE US\$2.6 BILLION AND THE AGREEMENT WILL BE SIGNED SOON; WORKERS FROM THE FRENCH COMPANY DASSAULT CALL ON PRESIDENT MITTERAND TO ASSIST IN OBTAINING A PURCHASE ORDER FROM TAIWAN FOR FIGHTER AIRCRAFT."

AFP TAIPEI, SEPTEMBER 5.

THE BROADCASTING CORPORATION OF CHINA (BCC) TODAY REPORTED THAT, IN THE WAKE OF THE U.S. APPROVAL OF THE SALE OF 150 F-16S TO TAIWAN, THE FRENCH WILL SELL 60 MIRAGE 2000-5 FIGHTER PLANES TO TAIWAN AT A PRICE THAT IS 20 PERCENT LOWER THAN THE PREVIOUSLY AGREED-UPON PRICE. ACCORDING TO THE REPORT, THE FRENCH COMPANY DASSAULT AGREED TO REDUCE BY 20 PERCENT THE ALREADY AGREED-UPON PRICE PER FIGHTER OF US\$54 MILLION.

MOREOVER, THE TAIWAN AUTHORITIES WILL VERY SOON SIGN A US\$2.6 BILLION CONTRACT ON THE PURCHASE OF 60 MIRAGE 2000-5 FIGHTER PLANES. THE REPORT QUOTED AN UNNAMED WELL-INFORMED SOURCE AS SAYING THAT, AFTER BUYING AMERICAN AND FRENCH FIGHTER AIRCRAFT, TAIWAN'S AIR DEFENSE CAPABILITY WOULD BE GREATLY IMPROVED. EVERY YEAR THE TAIWAN AIR FORCE LOSES OUTMODED F-104S AND F-5ES IN THE COURSE OF TESTING AND ROUTINE FLIGHT DUTIES.

MINISTER OF FOREIGN AFFAIRS FREDRICK CHIEN AND MINISTER OF NATIONAL DEFENSE CHEN LI-AN HAD NO COMMENT ON THE DEAL. HOWEVER AIR FORCE COMMANDER-IN-CHIEF LIN WEN-LI SAID THAT DIVERSIFYING THE SOURCES OF THE PURCHASE OF MILITARY AIRCRAFT HAS ALWAYS BEEN THE OBJECTIVE OF THE EFFORTS MADE BY THE TAIWAN AIR FORCE. LIN ALSO SAID THAT IF THE PURCHASE OF MIRAGE FIGHTERS FROM THE FRENCH CAN BE FINALIZED THIS WOULD BE AN EVEN GREATER SAFEGUARD TO TAIWAN'S FUTURE SECURITY. LIN SAID THAT THE PRC PURCHASE OF 30 SU-27 AIRCRAFT FROM RUSSIA ALVEADY CONSTITUTES A THREAT TO PEACE AND STABILITY IN THE TAIWAN STRAIT REGION. TAIWAN CURRENTLY HAS ABOUT 500 FIGHTER AIRCRAFT, THE BACKBONE OF WHICH ARE OLD STYLE F-104S. MINISTER OF NATIONAL DEFENSE CHEN LI-AN HAS SAID THAT DIVERSIFYING THE SOURCES OF WEAPONS PROCUREMENT IS MND POLICY.

TAIPEI'S UNITED DAILY NEWS HAS SAID THAT TAIWAN HAD ALREADY SIGNED A LETTER OF INTENT (YIYUAN SHU) WITH THE FRENCH TWO WEEKS AGO. THE DOCUMENT STATED THAT

TAIWAN WOULD PURCHASE 60 MIRAGE FIGHTER AIRCRAFT FROM THE FRENCH BUT THE TWO SIDES HAD YET TO REACH A CONSENSUS ON THE PURCHASE PRICE. TAIWAN INITIALLY PLANNED TO PURCHASE AS MANY AS 120 MIRAGE FIGHTER AIRCRAFT FROM FRANCE. IN ADDITION, AS WE UNDERSTAND IT, RUSSIA HAD SAID IT WAS WILLING TO SELL 50 MIG-29 AIRCRAFT TO TAIWAN. THE PRICE OF ONE MIRAGE COULD BE AS HIGH AS US\$50-60 MILLION, WHICH IS HIGHER THAN THE PRICE OF AN F-16. (FULL)

3. REUTERS TAIPEI SEPTEMBER 5, PUBLISHED IN UNITED DAILY NEWS WITHOUT HEADLINE:

BCC TODAY REPORTED IN TAIPEI THAT TAIWAN WILL SOON SIGN AN AGREEMENT WITH THE FRENCH ON THE PURCHASE OF MIRAGE FIGHTER AIRCRAFT. BCC DID NOT REVEAL WHFV THE AGREEMENT WOULD BE SIGNED. WHEN ASKED BY A REPORTER ABOUT A SIMILAR REPORT ISSUED BY THE CENTRAL NEWS AGENCY, AN MND SPOKESPERSON REFUSED TO COMMENT. TAIWAN AND FRANCE HAVE BEEN NEGOTIATING THE SALE OF MIRAGES FOR SEVERAL MONTHS NOW, BUT FRANCE, UNDER BT

#6370

BT

UNCLAS SECTION 02 OF 03 TAIPEI 06370 BEIJING FOR AMBASSADOR ROY

E.O. 12356: N/A

TAGS: PREL, MASS, TW, FR, US

SUBJECT: TAIWAN PRESS REPORTS AGREEMENT ON MIRAGE PRESSURE FROM THE PRC TO KILL THE DEAL, HAS YET TO ANNOUNCE WHETHER IT AGREES TO THE SALE. (FULL)

4. CHINA TIMES, FRONT PAGE LEAD, "THE CASE OF OUR PURCHASE OF MIRAGE FIGHTERS HAS ALREADY SEEN CONCRETE PROGRESS; TAIWAN AND FRANCE WILL SOON SIMULTANEOUSLY ANNOUNCE THE SALE TO TAIWAN OF THE FIRST BATCH OF 60 AIRCRAFT; WE ARE DISCUSSING WITH RUSSIA THE POSSIBILITY OF PURCHASING SU-27 OR MIG-29 FIGHTER PLANES."

BY REPORTER WU NAN-SHAN IN TAIPEI.

THE CASE OF OUR PURCHASE OF MIRAGE 2000-5 FIGHTER PLANES FROM FRANCE HAS ALREADY SEEN CONCRETE PROGRESS. WITHIN THE NEXT FEW DAYS IT IS HOPED THAT THE GOVERNMENTS OF THE TWO SIDES WILL SIMULTANEOUSLY ANNOUNCE THE SALE TO TAIWAN OF THE FIRST BATCH OF 60 AIRCRAFT. IN ADDITION, IN ORDER TO DIVERSIFY OUR ARMS PURCHASES, THE MILITARY IS NEGOTIATING WITH RUSSIA REGARDING THE POSSIBILITY OF PURCHASING SU-27 OR MIG-29 FIGHTER PLANES.

TAIWAN AND FRANCE HAVE BEEN DISCUSSING THE PURCHASE OF MIRAGE 2000-5 FIGHTER PLANES FOR A LONG TIME.

HOWEVER, PRIOR TO A FORMAL ANNOUNCEMENT BY THE FRENCH GOVERNMENT IT "HAS BEEN INCONVENIENT" TO MAKE THE CASE PUBLIC. AS WE UNDERSTAND IT THE TWO SIDES COULD VERY SOON MAKE A SIMULTANEOUS ANNOUNCEMENT CONFIRMING THE SALE. AS FAR AS THE PRICE OF THE MIRAGE 2000-5 FIGHTER PLANE IS CONCERNED, WE UNDERSTAND THAT FRANCE IS WILLING TO REDUCE THE PRICE BY ABOUT ONE-FIFTH. THE PRICE OF ONE FIGHTER PLANE WOULD BE CLOSE TO US\$40 MILLION, THEREBY REDUCING THE GAP IN PRICE BETWEEN THE MIRAGE AND THE F-16. ACCORDING TO INFORMATION RELEASED BY AIR FORCE HEADQUARTERS, AIR FORCE PERSONNEL CONSIDER THE PURCHASE OF THE F-16 AND THE PURCHASE OF THE MIRAGE 2000-5 TO BE OF EQUAL IMPORTANCE.

HOWEVER, THERE ARE TWO DIFFERENT VIEWS CONCERNING THE NUMBER OF AIRCRAFT TO BE PURCHASED. THE FIRST VIEW HOLDS THAT WE SHOULD PURCHASE 150 F-16S AND 60 MIRAGE 2000-5S. ACCORDING TO THE SECOND POINT OF VIEW WE SHOULD REDUCE THE NUMBER OF F-16S THAT WE PURCHASE AND INCREASE THE NUMBER OF MIRAGE 2000-5S THAT WE PURCHASE. AS TO HOW MANY MIRAGE 2000-5S WE WILL PURCHASE, AN AIR FORCE GENERAL SAID THAT OUR OBJECTIVE IS STILL TO BUY 60 IN THE FIRST BATCH. THE GENERAL ALSO SAID THAT THE REMAINING NUMBER WILL BE DETERMINED BY THE RESULTS OF OUR DISCUSSIONS WITH THE U.S. ON THE PURCHASE OF THE F-16 A/B AND THAT CURRENTLY IT IS STILL TOO EARLY TO TELL.

ACCORDING TO A HIGH RANKING AIR FORCE GENERAL, AS FAR AS OUR PURCHASE OF THE F-16 A/B FROM THE U.S. IS CONCERNED, IF THE PLANES ARE RESERVE AIRCRAFT OR IF THEY ARE EARLY MODEL A/B AIRCRAFT, THEN WE WILL REFUSE TO BUY THEM OR WE WILL WAIT FOR A FURTHER INVESTIGATION.

GENERAL DYNAMICS CLEARLY UNDERSTANDS THE VIEWS OF OUR AIR FORCE. GORDON ENGLAND, PRESIDENT OF GENERAL DYNAMICS AIRCRAFT SYSTEMS, WHO IS CURRENTLY VISITING TAIWAN, SAID TO OFFICIALS AT AIR FORCE HEADQUARTERS THAT SO LONG AS THE U.S. GOVERNMENT DOES NOT INSIST, GD WILL NOT SELL RESERVE OR EARLY MODEL F-16S. ENGLAND HOWEVER SAID THAT EVERYTHING MUST WAIT TO BE DECIDED AFTER OFFICIAL BILATERAL NEGOTIATIONS.

ANOTHER MND OFFICIAL AND A GENERAL FROM AIR FORCE HEADQUARTERS CONFIRMED THAT OUR CONTACTS WITH RUSSIA REGARDING THE PURCHASE OF FIGHTER AIRCRAFT HAVE BEEN BT #6370 BT

UNCLAS SECTION 03 OF 03 TAIPEI 06370 BEIJING FOR AMBASSADOR ROY E.O. 12356: N/A TAGS: PREL, MASS, TW, FR, US SUBJECT: TAIWAN PRESS REPORTS AGREEMENT ON MIRAGE GOING ON CONTINUALLY. AS FAR AS OUR PURCHASE OF FIGHTER AIRCRAFT IS CONCERNED, THE U.S. AND FRANCE ARE BOTH WILLING TO SELL FIGHTER PLANES TO US. THEN DO WE STILL WANT TO NEGOTIATE WITH RUSSIA? A MILITARY SOURCE SAID THAT OUR GOVERNMENT'S POLICY ON WEAPONS PURCHASES IS TO NOT RULE OUT THE PURCHASE OF ANY FIGHTER AIRCRAFT. THIS IS ESPECIALLY TRUE IN THE EVENT OUR NEGOTIATIONS WITH THE U.S. ON THE PURCHASE OF THE F-16 A/B ARE NOT SUCCESSFUL, IN WHICH CASE THERE IS THE POSSIBILITY THAT WE COULD BUY RUSSIAN SU-27 OR MIG-31 FIGHTER AIRCRAFT. MOREOVER, IF WE BUY RUSSIAN FIGHTER AIRCRAFT, THE RUSSIANS COULD CONDUCT THE DEAL SO THAT IN ADDITION TO PURCHASING FIGHTER AIRCRAFT WE COULD ALSO OBTAIN AN ENTIRE FACTORY. (FULL) BROOKS BT #6370 <SECT> SECTION: 01 OF 03 <SSN> 6370 <TOR> 920906072357 MSG000337073037 <SECT> SECTION: 02 OF 03 <SSN> 6370 <TOR> 920906072429 MSG000337073069 (SECT>

SECTION: 03 OF 03

920906072438 MSG000337073078

<SSN> 6370 <TOR>

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
11a. Cable	Forwarded from White House Situation Room RE: Taiwan Mirage / F-16 purchases (4 pp.)	09/05/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		, ×	
FILE LOCATIO		OA/ID Num	ber CF01505	1
		Date Closed	08/05/2002	,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENTNO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
11b Cable	Forwarded from White House Situation Room RE: Taiwan President's written reply to oral messages from President Bush [SENT FOR AGENCY REFERRAL] (3 pp.]	09/05/92	P-1,F-1	S
-			9	
	dential Records ecurity Council Files		2	
FILE LOCATIO Taiwan-U.	N \$. 1992 [1]	OA/ID Num	aber CF01505 d 08/05/2002	ζ,

RESTRICTION CODES

Presidential Records Act - [44 \blacksquare \$. \square 2204(a)

P-II National Security Classified Information [of the PRA]

P-2 Relating to the appointment to Federal office [of the PRA]

P-3 Release would violate a Federal statute [] of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [[1]][4]] of the PRA]

P-S Release would disclose confidential advise between the President and his advisors, or between such advisors [11] of the PRA]

P-6 Release would constitute a dearly unwarranted invasion of personal privacy [[ami]] of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM Closed as a personal record minfile

Freedom of Information Act - [5 U.S.C. 552(b)]

F-I National security classified information [[]] of the FOIA

F-1 Release would disclose internal personnel rules and practices of an agency [[b]] of the FOIA]

F-3 Release would violate a Federal statute [of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [[]] of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [DMT] of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [[]] of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [[bit]] of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1992 [2]

Re: Meeting with Taiwan official regarding F-16

Re: Taiwan Air Force and F-16 decision

Re: Oral message from President Bush to President Lee

Re: F-16 sale: Initial Taiwan reaction

Re: Oral message from President Bush to President Lee

Re: CCNAA and F-16 sale

Re: Oral message from President Bush to President Lee

Re: Oral message from President Bush to President Lee

Re: Oral message from President Bush to President Lee

Press guidance for President Bush announcement of F-16 sale

Re: F-16 fighters

Re: Caspar Weinberger letter to POTUS, Re: F-16's to Taiwan

Re: Taiwan arms sales

Re: Draft talking points for discussions with Chinese

Re: Senator Max Baucus meeting with Premier Hau

Re: President Lee's discussion of new fighters with Max Baucus

Report on Taiwan

Cable from AIT, Taipei, Re: Premier Hau Letter from Lee Teng-hui to POTUS

Re: Taiwan and new fighter aircraft

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Cable	Forwarded from White House Situation Room RE: Meeting with Taiwan official regarding F-16 (2 pp.)	09/05/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		7	
FILE LOCATIO Taiwan-U.		OA/ID Num Date Closed	ber CF01505 08/06/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Cable	Forwarded from White House Situation Room RE: Taiwan Air Force and F-16 decision [SENT FOR AGENCY REFERRAL] (3 pp.)	09/04/92	P-1, F-1	S
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	dential Records		v	
Doug Paal		-		
FILE LOCATIO Taiwan-U.		OA/ID Num	ber CF01505	
		Date Closed	08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03. Cable	Forwarded from White House Situation Room RE: Oral message from President Bush to President L [SENT FOR AGENCY REFERRAL] (3 pp.)	09/03/92 ee	P-1, F-1	S
	dential Records ecurity Council Files		¥	
FILE LOCATIO		OA/ID Num Date Closed	ober CF01505 08/06/2002	-

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Cable	Forwarded from White House Situation Room RE: F-16 sale: Initial Taiwan reaction (5 pp.)	09/03/92	P-1, F-1, P-5	С
COLLECTION Bush Presi	idential Records			
Doug Paal				
FILE LOCATIO Taiwan-U.	N S. 1992 [2]		ober CF01505	
		Date Closed	08/06/2002	~

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. Cable	Forwarded from White House Situation Room RE: Oral message from President Bush to President Lee [SENT FOR AGENCY REFERRAL] (2 pp.)	09/03/92	P-1, F-1	S
COLLECTION	dential Records			
National S Doug Paal	ecurity Council Files		,	
FILE LOCATIO Taiwan-U.			ber CF01505	
		Date Closed	08/06/2002	-

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
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- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- nis advisors, or between such advisors [a,j(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal
 privacy [(a)j(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
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- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
06. Cable	Forwarded from White House Situation Room RE: CCNAA and F-16 sale [SENT FOR AGENCY REFERRAL] (3 pp.)	09/02/92	P-1, F-1	S
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01505 08/06/2002	Ç

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
07. Cable	Forwarded from White House Situation Room RE: Oral message from President Bush to President Lee [SENT FOR AGENCY REFERRAL] (3 pp.)	09/02/92	P-1, F-1	S
	dential Records ecurity Council Files		Ý	
Taiwan-U.	N	OA/ID Num Date Closed	ber CF01505 08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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08. Cable	Forwarded from White House Situation Room RE: Oral message from President Bush to President Lee [SENT FOR AGENCY REFERRAL] (2 pp.)	09/02/92	P-1, F-1	s
COLLECTION				
	dential Records ecurity Council Files		Ÿ	
FILE LOCATIO Taiwan-U.		OA/ID Num Date Closed	ber CF01505 08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
09. Cable	Forwarded from White House Situation Room RE: Oral message from President Bush to President Lee [SENT FOR AGENCY REFERRAL] (3 pp.)	09/05/92	P-1, F-1	S
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	dential Records ecurity Council Files		×	
FILE LOCATIO Taiwan-U.		OA/ID Num Date Closed	ber CF01505 08/06/2002	- (

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

NATIONAL SECURITY COUNCIL

03-Sep-1992 07:52 EDT

MEMORANDUM FOR:

PAAL@OEOB@MRGATE

FROM:

VMSMail User RAGLE (RAGLE@OEOB@MRGATE) Taman- US

SUBJECT:

<CLAS> UNCLASSIFIED<DTG> 030153Z SEP 92
<ORIG>FM SECSTATE WASHDC
<SUBJ>SEPTEMBER 2 PRESS GUIDANCES FOR THE EAP REGION
ALL POSTS -- ALSO FOR USIS
USCINCPAC FOR FPA WILKINSON
USVIENNA FOR UNVIE

(TEXT>

JNCLAS SECTION 01 OF 03 STATE 286547

JSIA FOR EA AND P/G; TOKYO FOR KANEDA; MOSCOW FOR DAVNIE

E.O. 12356: N/A

TAGS: OPRC XE US

BUBJECT: SEPTEMBER 2 PRESS GUIDANCES FOR THE EAP REGION

ALL POSTS -- ALSO FOR USIS

JSCINCPAC FOR FPA WILKINSON

JSVIENNA FOR UNVIE

BEIJING -- PLEASE PASS TO CHENGDU

- THE FOLLOWING GUIDANCE WAS PREPARED FOLLOWING THE 'RESIDENT'S 9/2/92 ANNOUNCEMENT OF THE SALE OF F-16'S TO AIWAN. POSTS MAY DRAW FROM IT ON AN IF ASKED BASIS.
- :. TAIWAN -- SALE OF F-16S
- P: WHAT RATIONALE CAN YOU GIVE US FOR THE PRESIDENT'S DECISION TO APPROVE THE SALE OF F-16S TO TAIWAN?
- : THE DECISION TO APPROVE THE SALE TO TAIWAN OF F-16. IRCRAFT, CONFIGURED FOR DEFENSIVE PURPOSES, FOLLOWED A AREFUL REVIEW.

HE PRESIDENT'S DECISION SATISFIES OBLIGATIONS UNDER THE AIWAN RELATIONS ACT TO PROVIDE DEFENSE ARTICLES AND ERVICES TO TAIWAN. IT ALSO ADVANCES THE CENTRAL GOAL OF HE 1982 U.S.-CHINA COMMUNIQUE ON ARMS SALES TO TAIWAN -- ROMOTING CROSS-STRAIT PEACE AND STABILITY.

HE AGING OF TAIWAN'S AIR FORCE AND CHINA'S PURCHASE OF USSIAN SU-27 AIRCRAFT WERE AMONG THE FACTORS CONSIDERED N THE PRESIDENT'S DECISION.

- : DOES THIS SALE SIGNAL A FUNDAMENTAL CHANGE IN OUR OLICY UNDER THE 1982 COMMUNIQUE?
- : NO, IT DOES NOT.
- S THE PRESIDENT SAID, AND I QUOTE, "MY DECISION TODAY

DOES NOT CHANGE THE COMMITMENT OF THIS ADMINISTRATION AND ITS PREDECESSORS TO THE THREE COMMUNIQUES WITH THE PEOPLE'S REPUBLIC OF CHINA -- WE KEEP OUR WORD -- OUR ONE-CHINA POLICY, OUR RECOGNITION OF THE PRC AS THE SOLE LEGITIMATE GOVERNMENT OF CHINA.

"I'VE ALWAYS STRESSED THAT THE IMPORTANCE OF THE 1982 COMMUNIQUE ON ARMS SALES TO TAIWAN LIES IN ITS PROMOTION OF COMMON POLITICAL GOALS: PEACE AND STABILITY IN THE AREA THROUGH MUTUAL RESTRAINT." END QUOTE.

THE SALE TO TAIWAN OF F-16 AIRCRAFT, CONFIGURED FOR DEFENSIVE PURPOSES, IS CONSISTENT WITH THIS.

- 2: HAS THE USG INFORMED THE CHINESE GOVERNMENT? WHAT WAS THE PRC REACTION?
- YES, WE HAVE INFORMED THE CHINESE GOVERNMENT ABOUT THE SALE, BUT I CANNOT GET INTO THE SPECIFICS OF OUR DIPLOMATIC EXCHANGES. AS FOR THE CHINESE REACTION, I WOULD REFER YOU TO THEM.

HOWEVER, WE WOULD HOPE CHINA WILL TAKE INTO CONSIDERATION THE DEFENSIVE NATURE OF THESE AIRCRAFT, CHINA'S OWN RECENT ACQUISITION OF ADVANCED FIGHTER AIRCRAFT, THE DECLINE OF TAIWAN'S AIR FORCE, AS F-5S AND F-104S HAVE GONE OUT OF SERVICE, AND THE PRESIDENT'S STRONG COMMITMENT TO THE J.S.-CHINA RELATIONSHIP.

- D: HOW MUCH IS THIS SALE WORTH, AND HOW DOES IT COMPARE WITH PAST SALES?
- THE ESTIMATED VALUE OF THIS SALE WILL BE 5 BILLION DOLLARS. DETAILS WILL BE MADE AVAILABLE AFTER WE HAVE JNCLAS SECTION 02 OF 03 STATE 286547
- JSIA FOR EA AND P/G; TOKYO FOR KANEDA; MOSCOW FOR DAVNIE E.O. 12356: N/A

TAGS: OPRC XE US

SUBJECT: SEPTEMBER 2 PRESS GUIDANCES FOR THE EAP REGION FORMALLY NOTIFIED THE CONGRESS WHEN IT RETURNS FROM RECESS NEXT WEEK.

IF PRESSED

FOR GENERAL INFORMATION ABOUT PAST SALES, I WOULD REFER YOU TO THE ANNUAL CONGRESSIONAL PRESENTATION DOCUMENTS.

- THE FIRST AND THIRD RESPONSES FROM THE FOLLOWING PRESS SUIDANCE WERE USED AT THE 9/2/92 PRESS BRIEFING BY 3POKESMAN RICHARD BOUCHER. POSTS MAY DRAW FROM THE REMAINDER ON AN IF ASKED BASIS.
- CHINA -- ROSS TERRILL AND SHEN TONG EMBASSY OFFICIALS HAVE MET WITH OFFICIALS IN THE MINISTRY OF FOREIGN AFFAIRS ON TWO SEPARATE OCCASIONS TO PROTEST HINESE TREATMENT OF SHEN TONG AND ROSS TERRILL. 'HINESE PROVIDED NO INFORMATION ON SHEN'S CASE EXCEPT TO AY THE U.S. HAD NO RIGHT TO INTERFERE. 'HE CHINESE ALSO REJECTED OUR PROTEST CONCERNING TERRILL'S

'REATMENT. 'E HAVE MADE OUR CONCERNS ABOUT THE TREATMENT OF SHEN AND 'ERRILL CLEAR TO THE CHINESE GOVERNMENT. WE BELIEVE TRONGLY THAT PEOPLE SHOULD NOT BE DETAINED BECAUSE OF

HEIR POLITICAL VIEWS AND THAT JOURNALISTS SHOULD BE FREE

O DO THEIR JOBS. WE WILL CONTINUE TO RAISE THESE POINTS

WITH THE CHINESE GOVERNMENT AT EVERY OPPORTUNITY.

- Q: WHAT IS SHEN'S STATUS? WHERE IS HE?
- A: WE HAVE NO NEW INFORMATION ON SHEN'S STATUS. WE ASSUME HE IS STILL UNDER DETENTION.
- Q: CAN YOU CONFIRM THAT TERRILL HAS BEEN EXPELLED? WHERE IS HE?
- A: TERRILL LEFT BEIJING EARLY THIS MORNING (BEIJING TIME) AFTER BEING ESCORTED TO THE AIRPORT BY CHINESE POLICE. HE IS NOW IN HONG KONG.
- Q: IS THE DEPARTMENT OR EMBASSY FOLLOWING UP ON SHEN'S CASE?
- A: WE HAVE MADE OUR POSITION VERY CLEAR. WE HAVE STRONGLY URGED THE CHINESE TO RELEASE SHEN, AND WILL CONTINUE TO RAISE HUMAN RIGHTS CONCERNS WITH CHINESE OFFICIALS AT EVERY OPPORTUNITY.
- 5. THE SUBSTANCE OF THE FOLLOWING GUIDANCE WAS USED BY SPOKESMAN BOUCHER AT THE 9/2/92 PRESS BRIEFING.
- TAIWAN: SALE OF F-16S
- Q: WHAT CAN YOU TELL US ABOUT REPORTS THAT THE PRESIDENT HAS DECIDED TO APPROVE THE SALE OF F-16S TO TAIWAN?
- A: I UNDERSTAND THAT THERE ARE REPORTS CONCERNING THIS TOPIC, BUT UNTIL THE PRESIDENT OFFICIALLY ANNOUNCES HIS DECISION, I WON'T HAVE ANYTHING FOR YOU.
- THE FOLLOWING RESPONSE TO A QUESTION TAKEN AT THE 9/2/92 PRESS BRIEFING WAS POSTED IN THE PRESS OFFICE LATER THAT DAY.
- CHINA -- ASSESSMENT OF HUMAN RIGHTS SITUATION
- 2: COULD YOU GIVE US AN ASSESSMENT OF THE CURRENT HUMAN RIGHTS SITUATION IN CHINA?

JNCLAS SECTION 03 OF 03 STATE 286547

JSIA FOR EA AND P/G; TOKYO FOR KANEDA; MOSCOW FOR DAVNIE 5.0. 12356: N/A

PAGS: OPRC XE US

SUBJECT: SEPTEMBER 2 PRESS GUIDANCES FOR THE EAP REGION A: AS WE NOTED IN OUR HUMAN RIGHTS REPORT TO CONGRESS IN MANUARY, CHINA'S HUMAN RIGHTS PRACTICES REMAIN REPRESSIVE, 'ALLING FAR SHORT OF INTERNATIONALLY- ACCEPTED NORMS. SERIOUS HUMAN RIGHTS ABUSES PERSIST. HOWEVER, CHINA HAS ACKNOWLEDGED THAT HUMAN RIGHTS IS A LEGITIMATE TOPIC FOR INTERNATIONAL DISCUSSION AND HAS BEGUN A LIMITED DIALOGUE WITH ITS FOREIGN CRITICS.

OR INSTANCE, FORMER SECRETARY BAKER DURING HIS NOVEMBER 991 VISIT TO BEIJING EXTENSIVELY DISCUSSED HUMAN RIGHTS ITH THE CHINESE LEADERSHIP. WE CONTINUE TO USE EVERY ENIOR BILATERAL MEETING TO REMIND THE CHINESE THAT HUMAN IGHTS IS A CORNERSTONE OF OUR FOREIGN POLICY AND THAT HINA SHOULD RELEASE THOSE IMPRISONED SOLELY FOR PEACEFUL XPRESSION OF THEIR POLITICAL AND RELIGIOUS BELIEFS.

S A RESULT OF THESE EFFORTS, SOME PROMINENT POLITICAL AND ELIGIOUS FIGURES HAVE BEEN RELEASED FROM PRISON. OTHERS, UCH AS LABOR ORGANIZER HAN DONGFANG, JOURNALIST DAI QING, ONG-TIME HUMAN RIGHTS ACTIVIST LIU QING, AND WRITER WANG

E CONTINUE TO PRESS THE CHINESE ON THE FULL RANGE OF OUR

UOWANG HAVE BEEN PERMITTED TO LEAVE CHINA.

HUMAN RIGHTS CONCERNS. EAGLEBURGER

<SECT>SECTION: 01 OF 03 <SECT>SECTION: 02 OF 03 <SECT>SECTION: 03 OF 03

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
10. Letter	From Taiwan President Lee Teng-hui to POTUS RE: F-16 fighters [SENT FOR AGENCY REFERRAL] (2 pp.)	08/13/92	P-1, F-1	
	idential Records ecurity Council Files		ý.	
FILE LOCATIO Taiwan-U.	N S. 1992 [2]	OA/ID Num Date Closed	ober CF01505 08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

from the desk of

DAVID LAUX

Ta wan US

Doyle

Here is a copy for you

of the letter Cap Weinberger

Sent to the President Friday

on the F-16 155 UE.

Please phone me when

Best

DAVE

USA-ROC ECONOMIC COUNCIL

815 Connecticut Avenue, NW—Suite 1202 Washington, DC 20006 TEL: 202-331-8966 FAX: 202-331-8985

CASPAR W. WEINBERGER* Chairman of the Board

DAVID N. LAUX*
President

EUGENE M. KEYS Secretary/Treasurer

Directors:

N. MORGAN BRASSLER The Bank of New York

ANNA C. CHENNAULT TAC International, Inc.

WALKER L. CISLER Overseas Advisory Associates, Inc.

WILLIAM P. CLARK* Clark Company

JOHN J. CONEYS, JR. Price Waterhouse

JOSEPH F. DENNIN McKenna & Cuneo

CARLETON S. FIORINA *
AT&T

JOHN D. HUGHES Clinton Electronics Corporation

JAMES R. KLEIN The Klein Group

PAUL P. KOENDERMAN Babcock & Wilcox International

ROLF J. LARSON
Grumman International, Inc.

CHAFFRAIX A. LELONG, JR. Universal Leaf Tobacco Co.

PRESTON MARTIN WestFed Holdings, Inc.

ANTHONY A. MASSARO Westinghouse Electric Corporation

THOMAS H. McGOWAN Kaplan. Russin & Vecchi

JOHN L. MOORE, JR.* Bechtel Group, Inc.

JAMES F. O'HEARN
Uniroyal Chemical Company, Inc.

ROBERT P. PARKER* McCutchen, Doyle, Brown & Enersen

M. A. PEARS Stone & Webster, Inc.

DAVID A. RAYMOND Ebasco Services, Inc.

IRVIN E. RICHTER Hill International, Inc.

MARC K. RITZMANN Kilpatrick & Cody

GASTON I. SIGUR **
George Washington University

THOMAS W. TUCKER General Electric Company

GLENN W. TURCOTTE Katy Industries, Inc.

LEONARD UNGER **
Ambassador (retired)

JERRY W. VARGO ABB Combustion Engineering

ROBERT T. YAHNG* Baker & McKenzie

*Executive Committee

** Honorary

August 31, 1992

The President The White House Washington, D.C. 20500

Dear Mr. President,

I am writing at the request of our Council's membership to urge your approval of the sale of the F-16 or other advanced fighter to Taiwan.

As you know, when President Reagan approved the August 1982 Taiwan Arms Sale Communique with the PRC, he did so with the understanding that there was a certain military balance in the Taiwan Straits. If this balance were to change significantly in ways detrimental to Taiwan, he was prepared to review the situation and consider the sale of more sophisticated weapons to Taiwan. That balance has now been changed by the PRC purchase of Russian SU-27 aircraft and development of an aerial refueling capacity on the one hand, and the 10-year increase in age of Taiwan's F-104 and F-5 fighter aircraft on the other. Moreover, the other nations of East Asia are becoming disturbed by increasing signs of China's determination to build up its military forces. This decision by us to sell will indicate to them more than any words that we are prepared to help Asian nations keep the strategic balance in the region.

Secondly, the United States has threaded its way rather brilliantly for ten years now between the boundaries of the August 1982 Communique with the PRC, which says we will not sell Taiwan more advanced weaponry than in the past -- and the 1979 Taiwan Relations Act (TRA), which says we will provide Taiwan what they need for their defense. However, in making specific case decisions on military sales to Taiwan, we have always leaned more toward the 1982 Communique than toward the TRA. Yet in any conflict between the two documents, the TRA, as part of the law of the land, of course takes precedence over any communique. On the decision before you, it seems to me, the TRA should govern our thinking more than the 1982 Communique. At the same time, we do not have to scrap the Communique in the process and should not do so. Just as we replaced Taiwan's obsolete C-119's with C-130's, we should be able to replace their obsolete F-104's with F-16's, or other advanced fighters, on a one-for-one basis. The PRC should realize that they brought this on themselves by their own acquisition of superior aircraft and greater offensive capability.

The matters of jobs, political implications, and our increasingly fierce competition in the Taiwan market with the Europeans - especially the French - also bear importantly on this issue. A positive decision on the F-16 or other fighter would mean that General Dynamics can keep their production line going or a substantial boost for U.S. producers of any other advanced fighter selected by Taiwan. With thousands of jobs at stake, this is not an insignificant gesture and would bring benefits to the whole American economy. There is also a huge benefit to be had in Taiwan above and beyond the value of this sale. By approving the sale of an advanced fighter - and hopefully also allowing visits to Taiwan by our cabinet officers, as the French and other European nations are doing - we will reap an enormous sense of gratitude from Taiwan's leadership. This will greatly improve the climate and prospects for major sales there for all U.S. companies in the very tough competition with the French and others. I am thinking especially of Nuclear Power Plant No.4 on which bids are soon to be made (because it is the forerunner of another 8 or 9 nuclear power plants downstream). But, there are many other important contracts also at stake and, of course, their whole \$328 billion infrastructure plan. Many U.S. companies are bidding for some of the contracts to be awarded by Taiwan as part of this plan, also against strong competition.

Finally, these gestures will restore American influence with Taiwan's leadership, which has been waning as they felt we were neglecting them. This influence is very important for the future, when the current regime in China disappears and a new pragmatic leadership there reaches out to Taiwan to help build a truly new China.

For all these reasons I respectfully and strongly recommend that you approve the sale of F-16's or other advanced fighters to Taiwan.

With all best wishes,

Caspar W. Weinberger

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLAS
11. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan arms sales [SENT FOR AGENCY REFERRAL] (4 pp.)	08/27/92	P-1, F-1	S
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num	ber CF01505	7
		Date Closed	08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
12a. Cover memo	From Doug Paal to Admiral Howe RE: Draft talking points for discussions with Chinese [SENT FOR AGENCY REFERRAL] (1 pp.)	08/31/92	P-1, F-1	
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S. 1992 [2]	OA/ID Num Date Closed	ber CF01505 08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
13. Cable	Forwarded from White House Situation Room RE: Senator Max Baucus meeting with Premier Hau (5 pp.)	08/19/92	P-1, F-1, P-5	С
	idential Records ecurity Council Files		ý	
FILE LOCATIO Taiwan-U.		OA/ID Num	ber CF01505	1
		Date Closed	08/06/2002	,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- PRM. Closed as a personal record misfile.

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- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
14. Cable	Forwarded from White House Situation Room RE: President Lee discusses Taiwan's need for fighter aircraft with visiting Seantor Max Baucus (3 pp.)	08/17/92	P-1, F-1, P-5	С
			3	
		,		
	dential Records ecurity Council Files		¥	
Taiwan-U.	N S. 1992 [2]	OA/ID Num	ber CF01505 08/06/2002	7.

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
15b. Report	From CIA RE: Taiwan (14 pp.)	06/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Nur Date Close	nber CF01505 d 08/06/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA] F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
16b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Premier Hau (11 pp.)	01/24/92	P-1, F-1, P-5	S
	dential Records ecurity Council Files		7	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01505 08/06/2002	ή,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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統總國民華中

PRESIDENT OF THE REPUBLIC OF CHINA

January 23, 1992

Dear Mr. President:

As we enter the year 1992, may I once again extend to you my very best wishes for a most successful new year and the best of health.

Here in my country, we are moving steadily forward on the road of democratization and liberalization. The election for members of the Second National Assembly last month was very reassuring for our government as well as our ruling party. We shall continue our efforts to assure stability, prosperity and reform.

As the Secretary General of our ruling party, Dr. James C.Y. Soong, is heading for Washington, D.C. to attend the annual National Prayer Breakfast later this month, I have asked him to talk some problems of our two countries with your senior colleagues in the hope that these considered views of mine may reach you directly.

I would also like to take this opportunity to repeat my sincere gratitude for your firm support of our accession to the membership of the GATT. Your continued assistance and steadfast stance in this respect are greatly appreciated.

Incidentally on a lighter note, please kindly accept the Taiwanese Jade putter I am sending you through Dr. Soong as a token of my cordial friendship. I hope you will enjoy it.

Mrs. Lee joins me in sending our warmest regards to you and the First Lady.

Sincerely yours,

Tenghes lee

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
18b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan and new fighter aircraft (5 pp.)	01/13/92	P-1, F-1, P-5	S
-				
COLLECTION Rush Presi	dential Records			
	ecurity Council			
Doug Paal	Files			
FILE LOCATIO		OA/ID Nor	her CENTERS	
Taiwan-U.	S. 1992 [2]		ber CF01505	1
		Date Closed	08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

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Freedom of Information Act - [5 U.S.C. 552(b)]

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F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC) Folder Title - Taiwan Domestic Policy 1991 Re: Meetings with Taipei leaders Re: Meeting with Premier Hau

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01b. Cable	Cable From AIT, Taipei to AIT, Washington D.C. RE: Meetings with Taipei leaders (5 pp.)		P-1, F-1, P-5	S
		-		
COLLECTION Buch Presi	dential Records			
	ecurity Council			
FILE LOCATIO		OA/ID Num	iber CF01511	
		Date Closed	08/06/2002	-

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

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Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Meeting with Premier Hau (9 pp.)	08/13/91	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01511 08/06/2002	1

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Presidential Records Act - [44 U.S.C. 2204(a)]

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White House Staff and Office Files - Douglas Paal Files (NSC)
Folder Title - Taiwan Economic Policy 1991
Re: Taiwan's Ministry of Economic Affairs R&D Program
Partial list of Taiwan's Six-Year Development Projects - 30 May 1991

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Department of State

PAGE 81 OF 84 AIT TA 84888 88 O ACTION EAP-88	F 86 188949Z		SHB1983	AIT TA 84888 88 0	OF 86 11	18949Z	
IMFO LOG-88 ADS-88 AID-88	ALT. GO BHAD.	01 0145-00	PAME - 00	-64 LESS THAN ONE MILLION			
				2. MACHINERY & AUTOMATION TECHNO	CLOCY DEV	ELOPME	NT PROJECT
OMB-81 OPIC-88 SP-88	STR-18 TRSE-	88 USIE-88	/859W			v	TOTAL
P 188941Z JUN 91	100100 100	1102 / 10 10		NAMES OF THE PROGRAMS	BEGIN	END	EXPENDITURE
TO ALT WASHDE PRIORITY							(USD)
INFO AMEMBASSY TOKYO				1) AUTOMATION MECHANISM R&D	1991	1995	26
AMEMBASSY BEIJING				2) AUTOMATIC SENSING TECHNIQUE	1991	1995	28
UNCLAS TAIPEI 84888				- S-YEAR PLAN 3) METALWORK AUTOMATION TECHNO-	1991	1995	64
AIT/W PASS EAP/RA/TC				4) PRODUCTION AUTOMATION TECHNO-	1991	1995	24
E. O. 12356: N/A				 LOGY: 5-YEAR PLAN COMPUTER MANUFACUTRING SYSTEM 	1991	1995	42
TAGS: KSCA, KPRP, AIFA, TNGD, TS	PL, TW FAIRS'S S-VEAR	PER PLAN		- R&D, S-YEAR PLAN S) MACHINERY MATERIALS APPLICA-	1991	1995	42
				- TION, 5-YEAR PLAN	1001		
 THE FOLLOWING PROVIDES THE BUINISTRY OF ECONOMIC AFFAIRS CHOE 	DGET FOR TAIWA A) 6 YEAR R&D !	N'S Plan as		7) PRECISION COMPONENT TECH	1991	1995	35
WELL AS INITIAL 12 YEAR PLAN RESE	ARCH PROPOSALS.	AN		- DEVELOPMENT, 5-YEAR PLAN			
WILL FOLLOW SEPTEL.	NU DEVELOPMENT	SIRRIEST		- DEVELOPMENT, 5 YEAR PLAN	1991	1995	36
DONIENTE DOCCENTIV DE INC HINDEDTAV	e v			9) INDUSTRIAL MACHINERY TECH	1987	1992	18
PROJECTS PRESENTET DETRE UNDERTAK				18) VECHILE & COMPONENT TEST	1991	1995	189
1. ELECTRONICS AND INFORMATION TO	ECHNOLOGY R&D R	PROJECT		11) DYMANIC SYSTEM ON MOTOR	1992	1996	29
UNIT: USD MILLION (USG: EQUALS A	PPROX. NTD27.5			121 SHIPBULDING TECHNOLOGY	1889	1992	18
		TOTAL		13) PREPARATORY PLAN FOR FACILITY	1992	1992	-44
NAMES OF THE PROGRAMS	BEGIN END	ESTIMATED		- FOR SHIP BUILDING RESEARCH			
				14) TEST FACILITY FOR AEROSPACE	1992	1992	3
1) ELECTRONICS MATERIALS STUDY	1991 1995	43		2. MACHINERY & AUTOMATION TECHNOON MAMES OF THE PROGRAMS 1) AUTOMATION MECHANISM R&D 5 - YEAR PLAN 2) AUTOMATIC SENSING TECHNIQUE 5 - YEAR PLAN 3) METALWORK AUTOMATION TECHNO- LOGY, 5 - YEAR PLAN 4) PRODUCTION AUTOMATION TECHNO- LOGY, 5 - YEAR PLAN 5) COMPUTER MAMUFACUTRING SYSTEM R&D, 5 - YEAR PLAN 6) MACHINERY MATERIALS APPLICA- TION, 5 - YEAR PLAN 7) PRECISION COMPONENT TECH DEVELOPMENT, 5 - YEAR PLAN 9) INDUSTRIAL MACHINERY TECH 5 - YEAR PLAN 18) VECHILE & COMPONENT TEST 5 - YEAR PLAN 11) DYMANIC SYSTEM ON MOTOR VEHICLES R&D, 5 - YEAR PLAN 12) SHIPBULDING TECHNOLOGY 5 - YEAR PLAN 13) PREPARATORY PLAN FOR FACILITY FOR SHIP BUILDING RESEARCH 14) TEST FACILITY FOR AEROSPACE INDUSTRY TOTAL 3. MATERIALS & PROCESSING TECHNO			458
2) SUB-MICRON PRODUCTION TECH - 5-YEAR PLAN	1991 1995	214		 MATERIALS & PROCESSING TECHNO 	LOGY DEV	EL OPME!	NT PROJECT
3) MICROELECTRONICS DEVELOPMENT - 4-YEAR PLAN	1989 1992	73				Y	TOTAL ESTIMATED
4) STRUCTURE OF ELECTRONIC	1998 1993	18		NAMES OF THE PROGRAMS	BEGIN	END	EXPENDITURE
- PRODUCTS, 4-YEAR PLAN 5) COMPUTER SYSTEM DEVELOPMENT	1992 1996	7.0		***************************************	*****		(USD)
- S-YEAR PLAN 6) ELECTRONICS TECHNOLOGY IN	1998 1993	58		 SPECIAL CHEMICAL PRODUCTS MAMUFACTURE & USE R&D, 5-YR PLAN 	1991	1995	23
 TELECOMMUNICATIONS, 4-YR PLAN 				2) FUNCTIONAL HIGH POLYMER	1991	1995	32
 7) HIGH-QUALITY TV TECHNOLOGY 5-YEAR PLAN 	1992 1996	237		 TECH DEVELOPMENT, 5-YR PLAN FIBRE MANUFACTURE & APPLICA- 	1991	1995	38
8) INFORMATION SOFTWARE - FOUR-YEAR PLAN	1989 1992	48		- CATION: Y-YEAR PLAN			
9) HUMAN-THINKING COMPUTER 18) PROMOTION OF INFORMATION!-	1992 1996 1992 1996	78		4) TEXTILE TECHNOLOGY - 5-YEAR PLAN	1991	1995	21
- ZATION, 5-YEAR PLAN				S) DYEING INDUSTRY TECH DEVELOP-	1991	1995	33
11) COMPUTER CENTER FOR ITRI 12) INDUSTRY TEST & SURVEY TECH-	1992 1995 1992 1996	21		- 5-YEAR PLAN 6) UPGRADING OF CLOTHING INDUSTRY	1991	1995	36
- MOLOGY, S-YEAR PLAN				- 5-YEAR PLAN 7) HIGH-TEMPERATURE SUPER CONDUC-	1998	1993	11
13) ELECTROPTICAL MATERIALS RE- - SEARCH, SYEAR PLAN	1991 1995	28		- TOR RESEARCH, 4-YEAR PLAN TOTAL			194
14) ELECTROPTICAL TECHNIQUE &	1992 1996	56			n neuer a	DMENT "	
- APPLICATION, 5-YEAR PLAN 15) ELECTROPTICAL INFORMATION	1992 1996	41		4. ENVIRONMENT AND RESOURCES TEC	U DEAFFO	rnemi i	
- TECHNIQUE, 5-YEAR PLAN TOTAL		997		:	F	Y	TOTAL ESTIMATED

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		1			J			
PAGE 82 OF 84 AIT TA 84888 88 O NAMES OF THE PROGRAMS	BEGIN END		SH81883	TOT	AIT TA 84888 88 OF 85 1885451		18	SHB1883
		(USD)		990	JECTS IN PLANNING			
1) MATERIALS ACCESSMENT 4	1991 1995				NEOLO IN LEMBRING			
- PRESERVATION, 5-YEAR PLAN					ELECTRONICS AND INFORMATION TECHNOLOGY REC	PROJECT	1	
 2) INDUSTRY SAFETY & DISASTER PREVENTION, 5-YEAR PLAN 	1992 1996	31				FY		
3) ANTI-POLLUTION TECH	1991 1993	23			NAMES OF THE PROGRAMS	BEGIN	END	
- DEVELOPMENT, 3-YEAR PLAN		-						
 INDUSTRIAL WASTE WATER 	1991 1993	3		1)	ELECTRONICS MATERIALS STUDY, 2ND	1996	2888	
 MANAGEMENT, 3-YEAR PLAN 					5-YEAR PLAN			
5) INSHORE RESOURCES TECH	1992 1996	26						
- R&D, S-YEAR PLAN					SUB-HICRON PRODUCTION TECHNOLOGY, 2ND	1996	2888	
6) PREPARATORY WORK ON CONSOLI-	1992 1992	-64			S-YEAR PLAN			
 DATED INDUSTRIAL WATER USAGE TOTAL 		98			SEMI-CONDUCTOR TECHNOLOGY DEVELOPMENT	1993	1997	
TOTAL		10			5-YEAR PLAN HIGH RESOLUTION LED TECHNOLOGY	1993	1997	
				-	5-YEAR PLAN	1222	1001	
5. FOOD AND MEDICAL TECHNOLOGY D	EVELOPMENT PR	DJECT		5)	STRUCTURE OF ELECTRONIC PRODUCTS	1994	1998	
					5-YEAR PLAN			
		TOTAL			COMPUTER TECHNOLOGY DEVELOPMENT, 2ND	1996	2881	
	FY	ESTIMATED			5-YEAR PLAN			
NAMES OF THE PROGRAMS	BEGIN END	EXPENDITURE			ELECTRONICS TECHNOLOGY IN TELECOM-	1994	1998	
		(100)			MUNICATIONS, 2ND 5-YEAR PLAN	1007	2001	
1) MICROORGAMISM PRESERVATION	1989 1992	(USD) 9			HIGH-QUALITY TV TECHNOLOGY DEVELOPMENT,	1997	2991	
- 4 RESERACH, 4-YEAR PLAN	1989 1992				2ND 5-YEAR PLAN INFORMATION SOFTWARE PROMOTION, 2ND	1993	1997	
2) BIOTECHNOLOGY DEVELOPMENT &	1998 1993	47			S-YEAR PLAN	1929	1331	
- PROMOTION, 4-YEAR PLAN	1224 1222	**			HUMAN-INTELLIGENCE COMPUTER DEVELOPMENT	1993	1997	
3) FOOD PROCESSING & PACKAGING	1998 1993	13			5-YEAR PLAN			
- TECH, 4-YEAR PLAN				11)	PROMOTION OF GOVERNMENT COMPUTERIZATION	1997	2881	
4) PHARMACEUTICAL CHEMISTRY TECH	1991 1995	38			5-YEAR PLAN			
- DEVELOPMENT, 5-YEAR PLAN					DEVELOPMENT OF INDUSTRIAL INSTRUMENTS,	1997	2881	
5) PHARMACEUTICAL INDUSTRY TECH	1991 1995	88			5-YEAR PLAN		1007	3
- DEVELOPMENT, 5-YEAR PLAN 6) MEDI-CARE EQUIPMENT TECH	1991 1995	16		-	ELECTRONIC INFORMATION EXCHANGE SYSTEM	1993	1997	
- DEVELOPMENT, SYEAR PLAN	1331 1330	10			5-YEAR PLAN ELECTROPTICAL MATERIALS RESEARCH:	1996	2888	
TOTAL		195		17/		1220	7505	
10176					ELECTROPTICAL TECHNIQUES & APPLICATION	1997	2881	3
6. CONSTRUCTION & DESIGN TECHNOL	OGY DEVELOPME	NT PROJECT						
 ONOT YET SET UP) 				16)	ELECTROPTICAL INFORMATION TECHNIQUE .	1997	2881	
				-	411 4 1 4111 1 41111			
 FUNDAMENTAL FACILITIES AND OV 	ERALL TECH DE	VEL OPMENT		2.	MACHINERY & AUTOMATION TECHNOLOGY DEVELOPM	ENT PROJ	ECT	
PROJECT						FY		
		TOTAL			MAMES OF THE PROGRAMS	BEGIN	EWD	
	FY	ESTIMATED		-	MANES OF THE PROGRAMS	DE WIN	- LHD	
MAMES OF THE PROGRAMS	BEGIN END	EXPENDITURE		1)	AUTOMAION MECHANISM R&D			
				-	2ND 5-YEAR PLAN			
					METALWORKING AUTOMATION TECHNOLOGY	1996	2888	
		(USD)			RESEARCH, 2ND 5-YEAR PLAN			
 INFORMATION SERVICE TO 	1998 1993	28			PRODUCTION AUTOMATION TECHNOLOGY	1996	2888	
- INDUSTRIES, 4-YEAR PLAN					2ND 5-YEAR PLAN	1000	2000	
2) ESTABLISHMENT OF INFORMATION	1992 1992	-44			MACHINERY MATERIALS APPLICATION TECH 2ND 5-YEAR PLAN	1996	2999	
- NEVTYORK	1995 1995	-99			PRECISION COMPONENT TECH DEVELOPMENT	1996	2888	
3) INDUSTRY POLICY DECISION-	1992 1995	7			2NO 5-YEAR PLAN	****		
- MAKING STUDY, 4-YEAR PLAN					METALWORK TECH DEVELOPMENT	1996	2888	
4) LABS AND FACILITIES FOR ITRI	1991 1994	81			2ND 5-YEAR PLAN			
5) R&D PERSONNEL TRAINING	1992 1994	22				1993	1997	
- 3-YEAR PLAN					2ND 5-YEAR PLAN	1000		
6) PROMOTION OF INDUSTRY RED	1992 1996				VEHICLE & COMPONENT TEST TECH DEVELOPMENT	1220	2888	
7) FOREIGN TECHNOLOGY TRANSFER 8) SPECIAL INDUSTRY TECH	1998 1992	189			2ND 5-YEAR PLAN	1007	2881	
- DEVELOPMENT, WITH DURATION	1992 1992	5		21	AUTOMOBILE MOTOR R&D 2ND 5-YEAR PLAN	122/	1001	
- OF VALIDITY						1993	1997	
9) SAT PROMOTION PROGRAM BY THE	1992 1992	3		140	The same of the same same same same same same same sam			
- MINISTRY OF ECONOMIC AFFAIRS					2ND S-YEAR PLAN			
18) DEVELOPMENT AND GUIDANCE ON	1992 1992	16		11)	FACILITY FOR SHIP BUILDING RESEARCH	1993	1998	
 MAINSTREAM PRODUCTS 					6-YEAR PLAN			

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PAG 12)	E 83 OF 84 AIT TA 84888 88 OF 86 188949Z AEROSPACE INDUSTRY R&D - 5 YEAR-PLAN	1993	1998	AIT TA 84888 88 OF 86 188949Z SH81883 4) CONSTRUCTION TESTING TECH DEVELOPMENT 1993 1997 - 5-YEAR PLAN
1.	MATERIALS & PROCESSING TECHNOLOGY DEVELOPM	ENT PROJ	ECT	7. FUNDAMENTAL FACILITIES AND OVERALL TECH DEVELOPMENT PROJECT
_			Y	
	NAMES OF THE PROGRAMS	BEGIN	END	 NAMES OF THE PROGRAMS BEGIN END
	SPECIAL CHEMICAL PRODUCTS MANUFACTURE & USE R&D, 2ND 5-YEAR PLAN	1996	2888	1) INFORMATION SERVICE TO INDUSTRIES & 1994 1998 - ESTABLISHMENT OF DATA BANK, 5-YR PLAN
21		1996	2888	2) ESTABLISHMENT OF INFORMATION SERVICE 1993 1995
3)	FIBRE MANUFACTURE & APPLICATION 2ND 5-YEAR PLAN	1996	2888	- METWORK 3) R&D PERSONNEL TRAINING 4-YR PLAN 1995 1998
4)	TEXTILE TECHNOLOGY 2ND 5-YEAR PLAN	1996	2888	4) REGIONAL CONSOLIDATED R&D CENTER 1993 1997 5) SPECIALTY TECH RESEARCH PARK 1993 1997
5)	DYEING INDUSTRY TECH DEVELOPMENT 2ND 5-YEAR PLAN	1996	2888	6) INDUSTRY POLICY DECISION-MAKING STUDY 1986 1998 - 5-YEAR PLAN
5)	UPGRADE OF CLOTHING INDUSTRY 2ND 5-YEAR PLAN	1996 -	2000	7) PROMOTION OF INDUSTRY R&D 1997 2881 8) SPECIAL INDUSTRY TECH DEVELOPMENT 1993 1997
7)	HIGH-TEMPERATURE CONDUCTANCE RESEARCH 2ND 5-YEAR PLAN	1994	1988	- WITH DURATION OF VALIDITY 9) SAT PROMOTION PROGRAM BY THE MINISTRY 1993 1997
	NEW MATERIALS TECH R&D	1993	1997	- OF ECONOMIC AFFAIRS 180 DEVELOPMENT AND GUIDANCE ON MAINSTREAM 1993 1993
4.	ENVIRONMENT AND RESOURCES TECH DEVELOPMENT	PROJECT		- PRODUCTS
	MAMES OF THE PROGRAMS	BEGIN FY		FUNDING ESTIMATES
1)		1996		IN ORDER TO UPGRADE THE INDUSTRIAL TECHNOLOGY, MOEA MADE THE BUDGET FOR THE 6 YEAR PLAN TO SUPPORT INDUSTRIES'
	2MD 5-YEAR PLAN INDUSTRY SAFETY AND DISASTER PREVENTION	1997	2881	DEVELOPMENT OF CRUCIAL TECHNIQUES, AS WELL AS TO ASSIST
30		1994	1996	MANUFACTURERS TO EXPAND THEIR RESEARCH AND DEVELOPMENT. THE BUDGET AND THE CLASSIFICATIONS ARE INDICATED IN THE
	2ND 3-YEAR PLAN IN-SHORE RESOURCES TECH DEVELOPMENT	1998	2881	FOLLOWING TABLES.
	2ND S-YEAR PLAN			THE MAIN ITEMS OF INCREASE IN THE NEW BUDGET VS. THE PRESENT EXPENDITURES ARE AS FOLLOWS:
	CONSOLIDATED INDUSTRIAL WATER USAGE 5-YEAR PLAN	1993	1997	1. FUNDS TO ESTABLISH "REGIONAL RAD CENTER" AND "RAD SPECIALTY PARK".
ξ.	FOOD AND MEDICAL TECHNOLOGY DEVELOPMENT PRO	MECT		ALEALUET LUNG .
-		FY		FUNDS TO PROMOTE R&D AMONG THE STATE-OWNED AND PRIVATE ENTERPRISES.
	NAMES OF THE PROGRAMS	BEGIN	END	
	FOOD PROCESSING AND PACKAGING TECH	1994	1998	 FUNDS TO ESTABLISH MUTUAL TECHNOLOGY DEVELOPMENT CENTER.
21	2ND 5-YEAR PLAN MICROORGANISM PRESERVATION AND RESEARCH	1993	1997	4. FUNDS TO SET UP OVERSEAS R&D AND PROMOTION CENTERS.
	2ND 5-YEAR PLAN BIOTECHNOLOGY DEVELOPMENT AND PROMOTION	1994	1998	5. FUNDS SPECIALLY ALLOCATED FOR "CONSTRUCTION AND
4)	2ND 5-YEAR PLAN PHARMACEUTICAL CHEMISTRY TECH DEVELOPMENT 2ND 5-YEAR PLAN	1996	1998	DESIGN". 6. FUNDS FOR LARGE-SIZED R&D PLANS OR FOR SETTING UP
5)	PHARMACEUTICAL INDUSTRY TECH DEVELOPMENT 2ND 5-YEAR PLAN	1996	2888	FACILITIES.
6)	MEDI-CARE EQUIPMENT TECH DEVELOPMENT 2ND 5-YEAR PLAN	1996	2000	 FUNDS TO IMPROVE THE FACILITIES AND HUMAN RESOURCES IN R&D ORGANIZATIONS.
	CONSTRUCTION AND DESIGN TECHNOLOGY DEVELOP?	ENT PRO	JECT	MINISTRY OF ECONOMIC AFFAIRS SAT BUDGET
		FY		
	NAMES OF THE PROGRAMS	BEGIN	END	*
	CONSTRUCTION AND DESIGN TECH DEVELOPMENT 5-YEAR PLAN		1997	UNIT: USD MILLION (USD1 EQUALS APPROX. NTD27.5)
2)	ELETRICAL ENGINEERING DESIGN AND TECH DEVELOPMENT S-YEAR PLAN	1993	1997	FISCAL YEAR AMOUNT
		1993	1997	1987 135 1988 16#
	S-YEAR PLAN			1989 171

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1991 1992			291 471					
1993			628 888				3.7	
1995 1996			947 1,881					
1997			1,188					
NOTES:	1.	FY87-9 FY92-9	1 - ACTUAL 7 - ESTIMA		UTIO	RES		

S&T DEVELOPMENT BUDGET

UNIT: USD MILLION (USD1 EQUALS APPROX. NTD27.5)

CATEGORY			BUDGET					
F	Y92	FY93	FY94	FY95	FY96	FY97	92-97 TOTAL	
& INFORM.	178	198	248	265	292	389	1,474	
MACHINERY & AUTOM'N	69	81	112	142	162	178	744	
MATERIALS & PROCESS	38	93	128	142	162	178	733	
ENVIRONMENT & RESOURCES	16	25	48	57	76	95	389	
FOOD & MEDICINE	37	56	88	95	188	119	495	
CONSTRUCTION & DESIGN	g	6	24	47	65	83	225	
FUNDAMENTAL FACILITIES	141	161	184	199	216	226	1,127	
TOTAL	471	628	888	947	1,881	1,188	5,187	

NOTES: THE ABOVE S&T BUDGET INCLUDES:

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⁽¹⁾ FUNDS FOR R&D PROJECTS CONSIGNED TO CORPORATE BODY; (2) FUNDS FOR R&D PROJECTS CONSIGNED TO PRIVATE SECTOR; (3) FUNDS FOR IMPROVEMENT OF ENVIRONMENTAL R&D AND R&D PROMOTION



TAIWAN'S SIX-YEAR DEVELOPMENT PLAN PROJECTS (PARTIAL LIST)

May 30, 1991

American Institute in Taiwan

Commercial Unit

TAIWAN'S SIX-YEAR DEVELOPMENT PLAN PROJECTS

The Taiwan Six-Year Development Plan (FY1992-1997) includes a total of 775 projects budgeted at US\$305 billion.

The following partial list of projects contained in the Six-Year Plan comprises 354 projects with a proposed budget of US\$183.7 billion. AIT will provide a complete list of Six-Year Plan projects as soon as the information is available.

Projects scheduled to start in FY1992 or after are new projects in the Six-Year Plan. All other projects are on-going projects.

Taiwan authorities note that the projects in the Six-Year Plan are only proposed projects. For financial or other reasons, some of the projects in the plan may not be implemented according to schedule.

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HINISTRY OF COMMUNICATIONS (MOC)

The Ministry of Communications (MOC) projects comprise 130 of the total 775 projects in the Six-Year Plan and account for US\$105 billion, 34 percent of the total US\$305 billion Six-Year Plan budget.

MOC projects along with their implementation dates and budgets for FY1992-FY1997 are given below.

U.S. firms wishing to obtain further information on projects contained in the Six-Year Plan may contact:

Ministry of Communications 2 Changsha St., Sec. 1 Taipei, Taiwan TEL: 886-2-371-3984

FAX: 886-2-381-2260

or

American Institute in Taiwan Commercial Unit Rm. 3207, 32F, 333 Keelung Rd., Sec. 1

Taipei, Taiwan TEL: 886-2-720-1550 FAX: 886-2-757-7162 ATTN: Robert H. Strotman

In US\$ million (US\$1 equals NT\$27)

Projects	Responsible Agencies	Implemen- tation Period	Budget
ROILWOYS			1
High—speed Railway Project	Engineering Office of High-Speed Rail Project, MOC	90-98	11,860
Extension of Taipei Underground Railway to Sungshan	Taipei Railway Underground Project Office, MOC	89-94	545
Construction of Four Underground Rail Lines between Wanhua & Panchiao	ditto	91-99	1,548

Mountain Railway Line between Chu-nan & Fengyuan	Taiwan Railway Administra- tion (TRA), Taiwan Provincial Authorities (TPA)	88-93	257
Procurement/Replacement of Commuters	ditto	91-96	383
Completion of Around-the-Island Railway Project	ditto	88-92	40
Improvement of Stations/Yards	ditto	93-95	33
Compartment Replacement	ditto	92-97	510
Underground & Elevated Railways in Cities	Department of Communications, TPA	91-2006	973
Improvement of Eastern Taiwan Railway	ditto	92-98	1,681
Southern Link Railway Project	South Link Railway Project Office, TPA	80-92	96
HIGHWAYS			
Cross Island Express Highway	Institute of Transportation (IOT), MOC	92-97	1,424
West Coast Express Highway	Highway Bureau, MOC	92-96	2,029
Widening of Highway between Yang-mei & Kaohsiung, Chungshan Freeway	ditto	91-2000	2,884
Surface Repair of Chungshan Freeway	Freeway Bureau, MOC	92-96	25
Tunghu to Wuku Section of Chungshan Freeway	ditto	90-96	955
Southern Cross Island Freeway	Taiwan Area National Freeway Bureau (TANFB), HOC	91-93	4,926

Subsequent Construction of 2nd Freeway in N. Taiwan	ditto	89-98	12,996
Second Freeway of Northern Taiwan	ditto	85-92	891
Taipei-Ilan Freeway	ditto	90-99	2,096
2nd Generation Computerization for Highway Administration	Railways & Highways Dept, MOC	92-93	33
Replacement of City Buses	Taipei City Bus Administration, Taipei City Authorities	92-97	39
Construction of Stations/Depots of Taipei City	ditto	88-94	28
Depot at Lin-yun Villa	ditto	92-94	0.37
Computerized Traffic Control	Department of Communications,	89-94	44
System, Taipei City	Taipei City Authorities		
Express Roads of Taipei City	Department of Public Works, Taipei City Authorities	90-2001	1,155
Construction and Improvement of Key Roads, Taipei City	ditto	87-2002,	379
Transportation Reconstruction Cost to be Shared by Taipei Municipal Authorities	ditto	90-94	529
Depot at Shihlin	ditto	92-94	0.74
Highway Connecting Linhai & Tafa Industrial Zone	Department of Public Works, Kaohsiung City Authorities	92-97	4
Nantze Overhead Bridge and Provincial Highway No. 1	ditto	91-97	14
Widening of Mintsu Road Section of Provincial Highway No. 1	ditto	92-97	12

Elevated Junction of Kai-hsuen Road & Chungcheng Road	ditto	92-97	13
Kaohsiung Metropolitan Express Highway System	ditto	92-97	111
Cross Harbor Bridge, Kaohsiung City	ditto	91-97	111
Eastern Section No1-1 Highway, Nantze	ditto	92-97	4
Road Improvement in Tourism Areas	Taiwan Highway Bureau, DC, TPA	91-95	280
Widening of Key Highways	ditto	91-94	1,021
Connecting Roads with 2nd Freeway in N. Taiwan	ditto	90-92	123
Widening of Highway between Nankang & Keelung	ditto	86-92	15
Other Key Highway Improvements	ditto	91-2001	2,077
Improvement of Highway Along Shih-ting, Pingshih and Jui-fang	ditto	89-92	6
Connecting Highways with Interchanges of Freeway	Taiwan Highway Bureau, DC, TPA	91-95	431
Improvement of Key Trunk of Provincial Highway	ditto	91-97	1,615
Wan-ta Bridge Project	ditto	90-92	16
Widening Road between Nankeng & CKS Airport	ditto	92-94	-7
Widening Road between Kaohsiung County & Kaohsiung City, Provincial Highway No. 1	ditto	92	9
Li-ling Bridge Expansion - No. 188 Highway	ditto	92-93	27
Hsi-chuang Bridge and Connecting Roads	Taiwan Housing & Urban Develop- ment Bureau, TPA		10

Construction of Roads in Cities	ditto	92-97	1,591	
Linking Roads between E & W Harbors, Keelung Port	Keelung Harbor Bureau, TPA	90-97	261	
Village Road System for Mountainous Areas	Department of Civil Affairs,	92-97	693	
	TPA		186	
			7	
CITY_IRANSEORIATION				
Subsidy for Construc- tion of Model Parking Lots	Railways & Highways Dept., HOC	92-97	741	
Parking Lot Construction Project	Department of Reconstruction, Kaohsiung City Authorities	91-97	183	
Taipei City Parking Lot Construction Plan	Department of Communications, Taipei City Authorities	91-94	51	
Subsidy for Construction of City/County Parking Lots	Taiwan Housing & Development Bureau, TPA	92-97	97	
MRT Systems for Taoyuan, Hsinchu, Taichung & Tainan Cities	ditto	90-2005	7,407	
Kaohsiung Metropolitan MRT System	Department of Kaohsiung MRT,	91-2000	4,979	
	Preparatory Office, Kaohsiun City Authorities & MOC			
Subsequent Construction Project of Taipei MRT System	Department of Mass Rapid Transit System (DORTS), Taipei Municipal Authorities, & M	90-2003 0C	6,178	
Preliminary MRT Project, Taipei	ditto	88-98	11,189	

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BERONBUTICS

Airfield Expansion at Lan-yu Islet	Civil Aeronautics Administration, MOC	90-94	9
Phase II Expansion of Kaohsiung Airport	ditto	89-94	291
CKS International Airport Expansion Project	ditto	89-94	653
Augmentation/replacement of Taiwan Flag-carrier Fleet	ditto	91-97	4,114
Construction of Civil Air Station at Kinmen Airport	ditto	90-93	7
Heng-chun Airfield Reconstruction	ditto	90-93	20
No. 2 Apron at CKS International Airport	ditto	92	23
Aeronautics Meteorology Development Project	ditto	92-97	4
Navigation Radar Construction Project	ditto	90-96	22
WOIER_IRONSPORTATION_&_HORBORS			
Four Container Ships, 9th Shipment	Yang ming Marine Trans- port Corp., Ltd.	92-97	14
1500 Sets of Car Racks	ditto	92-97	10
Containers 13,290 TEU	ditto	92-97	66
Four Container Ships, 8th Shipment	ditto	92-97	31
Containers 19,140 TEU	ditto	92-97	30
200 Sets of Car Racks	ditto	92-97	1
Replacement of Containers 2,400 TEU	ditto	92	6
Kaohsiung Harbor Building Project	Kaohsiung Harbor Bureau, TPA	91-97	120

The 5th Container Terminal, Kaohsiung Port	ditto	89-98	389	
Makung Port Expansion Project	ditto	1989-2008	43	
Development of Anping Port	ditto	1990-2009	353	
Development of Industry port at Taichung Port	Taichung Harbor Bureau, TPA	88-93	38	
Stage 1 of Phase II Project of Taichung Port	ditto	91-96	400	
Sand Dredging at North Section of Taichung Port	ditto	92-93	29	
Improvement Project of Wharf No. 19, Keelung Port	Keelung Harbor Bureau, TPA	90-92	13	
Phase I Construction of Tamshui Domestic Commercial Port	ditto	92-96	216	
Steamship Traffic Management, Keelung Port	ditto	92-95	13	
POSIAL_ADMINISTRATION				
On-line Computerization for Savings & Remittance Operations	Directorate General of Posts, MOC	89-96	121	
Auto Mail Handling Program	ditto	90-99	563	
Automated Window Postal Service Equipment	ditto	92-97	0.37	
Automated Postal Information Operations	ditto	92-97	3	

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IELECOMMUNICATIONS

City Telephone Project for Central Taiwan	Directorate General of Telecom- munications	92-97	Please see asterisk below.
Long Distance Communication Project	ditto	92-97	ditto
International Communication Project	ditto	92-97	ditto
Telecommunication Technology R&D	ditto	92-97	ditto
City Telephone Project for Southern Taiwan	ditto	92-97	ditto
City Telephone Project for Northern Taiwan	ditto	92-97	ditto
Cultivation of Telecommunication Experts	ditto	92-97	ditto
Digital Telecommunication Project	ditto	92-97	ditto

 $[\]boldsymbol{*}$ The total budget for telecommunications projects is approximately US\$7,388 million.

HETEOROLOGY

Construction of Northern Taiwan Meteorologic Radar Station	Central Weather Bureau, MOC	89-95	16
Establishment of Meteorologic Instrument Calibration Center	ditto	92-99	. 7
Marine Weather Forecast Center	ditto	91-2000	5
Modernization of Weather Satellite Information Receiving System	ditto	90-2001	6
Auto Precipitation Measuring System for Taiwan Area	ditto	85-96	9
Computerization of Weather Forecast System No. 2 & No. 3	ditto	90-99	61
Building for Integrated Meteorologic Operations	ditto	92-95	31
Improvement of Meteorologic Technology	ditto	92-97	7

IOURISH

Development of Penghu Scenic Area	Tourism Bureau, MOC	91-96	128
Development of the Coastal Scenic Area of Eastern Taiwan	ditto	91-96	171
Development of Tourist Areas other than the Planned Scenic Areas	ditto	91-97	189
Development of the Coastal Scenic Area of North-eastern Taiwan	ditto	91-96	76
Development of a Grand Tourist and Recreational Area	ditto	92-97	74
Subsequent Development of Chi-Chin Coastal Park	Department of Reconstruction, Kaohsiung City Authorities	92-97	19
Construction of Kaohsiung Fisherman's Recreation Center	ditto	92-97	20
Development of No. 3 Provincial Highway Tourist Areas	Tourist Bureau, TPA	90-93	44
Development of the Native Farmer's and Fisherman's Villages	ditto	91-99	33
Reconstruction of Lotus Pool Scenic Area in Tzu-ying	ditto	87-97	22
Tung-shan Creek Scenic Area Development Plan	ditto	90-92	8
Development of Shi-pin Highways Tourist Areas	ditto	90-93	52
Development of New Provincial Scenic Area	ditto	89-93	10
Development of Provincial Hot Spring Scenic Area	ditto	91-95	19
Development of Forest Entertainment Area	ditto	92-97	98
Establishment of Travel Service Center	ditto	91-97	2

Tourism Farm Park Project	ditto	91-97	13
Construction of Rest and Recreational Facilities	ditto	93-2007	890
Development of Ta-peng Bay Touring Area	ditto	92-2000	159
Recreational Farm Industry	ditto	91-97	19
Initial Planning for Liu-chiou Special Scenic Area	ditto	91-95	0.37
Development of Su-ao to Hua-lien Highways Scenic Spots	ditto	93-97	18
Development of Nan-hung Highways Scenic Spots	ditto	93-97	30

II. MINISTRY OF ECONOMIC BEFBIRS (MOEB)

Projects under the jurisdiction of the Ministry of Economic Affairs (MOEA), contained in Taiwan's Six-Year Development Plan (FY1992-1997). These projects comprise 156 of the total 775 projects in the Six-Year Plan and account for US\$68 billion of the total US\$305 billion Six-Year Plan budget.

MOEA projects along with their implementation dates and budgets for FY1992-FY1997 are provided below.

U.S. firms wishing to obtain further information on projects contained in the Six-Year Plan may contact:

Ministry of Economic Affairs 15 Foochow St. Taipei, Taiwan

TEL: 886-2-321-2200 FAX: 886-2-391-9398

or

American Institute in Taiwan Commercial Unit Rm. 3207, 32F, 333 Keelung Rd., Sec. 1

Taipei, Taiwan TEL: 886-2-720-1550

FAX: 886-2-757-7162 ATTN: Robert H. Strotman

In US\$ million (US\$1 equals NT\$27)

	(US\$1 equ	uals NT\$27)
Responsible Agencies	Implemen- tation Period	Budget
Taipower & MOEA	88-96) 1884
ditto	92	í
ditto	90-96	422
ditto	92-96	440
	Taipower & MOEA ditto	Responsible tation Agencies Period Taipower & 88-96 MOEA ditto 92 ditto 90-96

		*	
Chu Keng Renewal Project	ditto	91	15
New Tienlun	ditto	87-92	319
Juanchiao Reconstruction	ditto	89-92	16
Kaoping Renewal Project	ditto	89-93	11
Chumen	ditto	89-93	8
Construction of power units at Mingchien	ditto	96-97	37
Tenhu	ditto	96-97	37
Chushan	ditto	96-97	35
Bihai	ditto	94-99	904
Chuping	ditto	97-2000	199
Wushen Enlargement	ditto	97-2000	41
Ibermal Power Projects:			
Taichung Fossil-fired No. 1-4	ditto	87-95	3,341
Taichung Fossil-fired No. 5-8	ditto	90-98	3,342
Nanpu Combined Cycle No. 1-6	ditto	91-96	1,233
Hsinta Combined Cycle No. 1-6	ditto	91-96	2,079
Suao Fossil-fired No. 1-4	ditto	91-2001	4,667
Changping No. 1-4	ditto	91-2001	4,793
Tunghsiao Combined Cycle	ditto	91-96	344
Talin No. 6 LNG	ditto	89-94	467
Linkou Combined Cycle	ditto	91-96	237
Basic Indust. Complex No. 1	ditto	94-2001	1,333
Nuclear_Power_Project:			
Fourth Nuclear Nos. 1 & 2	ditto	91-99	5,824

Transmission. Distribution & Environmental Protection Projects:					
Fourth Transmission & Substation Project	ditto	90-96	2,646		
Second Distribution Project	ditto	92-95	1,967		
Environmental Protection & others	ditto	88-93	858		
CHINESE_PETROLEUM_CORPORATION_(CPC)			ie.		
Naphtha Cracking Plant Renovation	CPC & MOEA	86-92	58.		
Talinpu Area Storage and Transportation Facility Expansion	ditto	88-91	7		
Construction of the 16th Tanker	ditto	89-91	6		
High-pressure Boilers for Power Generation	ditto	89-92	8		
Crude Oil Storage and Transportation Facility Establishment	ditto	89-92	45		
Kaohsiung Plant No. 11 Topping Unit	ditto	89-93	29		
Kaohsiung Plant Residue Desulfurization Unit	ditto	89-93	116		
LNG Distribution Facility Expansion	ditto	89-95	50		
Kaohsiung Plant No. 4 Offshore Mooring Buoys	ditto	90-92	, 20		
Oil Terminal Storage and Transportation Facility Expansion in Erh-chiao, Kaohsiung	ditto	90-92	83		
Increasing Gasoline Octane in Kaohsiung Plant	ditto	90-93	108		
No. 2 Topping Unit in Taoyuan Plant	ditto	90-93	25		
Self-navigated Barge Renovation	ditto	91-92	7		
Construction of the 18th and 19th tankers	ditto	91-92	88		
Oil and Gas Development Well of the Chu-kuang-keng Area	ditto	91-92	3		

Tugboat Renovation Project	ditto	91-92	7
Relocation of Oil Tanks at Linya Liao Harbor Terminal	ditto	91-94	133
Tao-yuan Oil Refinery Factory Expansion Project	ditto	91-94	335
Co-generation Facility in Talin Plant	ditto	91-94	167
Taoyuan Plant Oil Storage, Transportation and Blending Center	ditto	91-95	249
Expansion of Liquefied Natural Gas Receiving Plant	ditto	91-95	611
Circular Gas Pipeline Construction	ditto	91-95	246
Construction of Around-the-Island Oil Product Delivery Tankers	ditto	91-92	22
Liquefied Natural Gas Adjustment and Monitoring System Integration	ditto	92-94	35
Hsin-hsin Oil Refinery Factory (First Phase)	ditto	92-97	2,259
Renovation of Oil Terminal Facility and Pipelines	ditto	92-97	1,111
Investment in Overseas Oil Refinery Factories	ditto	92-95	556
Storage Transportation Facilities at North Tanker Piers	ditto	92-95	836
Storage and Transportation Facility Establishment	ditto	92-97	337
Kaohsiung No. 9 Hydro-Desulfurization Unit	ditto	92-97	85
Cogeneration at Troying Plant & Linyuan Plant	ditto	92-95	210
Oil Terminal Pipeline at Keelung Port	ditto	92	19
Naphtha Unit Modernization	ditto	92-95	13

Deeper Layer Development of Gas	ditto	92-95	50
Field at Chu-kuang-keng Area			
Expansion of Oil Transportation Pipeline in Talin Plant	ditto	92-95	35
Oil Terminal Operation Monitoring System	ditto	92-97	83
Development of No. 2 Oil and Gas Field	ditto	95-97	462
Talin Plant Storage and Transportation Facility Expansion	ditto	91-93	37
Real-time Oil Products Storage Volume Monitoring System	ditto	92-95	31
Construction and Renovation of Gas Stations	ditto	93-97	193
Liquefied Natural Gas Receiving Terminal in Northern Taiwan	ditto	93-99	1,881
Aromatics Production	ditto	88-92	73
Olefin Conversion Plant	ditto	87-93	9
Taoyuan Plant Light Naphtha Isomerization Unit	ditto	88-92	6
Kaohsiung Plant No. 6 Reforming Unit	ditto	88-92	9
Pollution Control	ditto	90-94	1,277
CHINA_SIEEL_CORPORATION_(CSC)			
Post Phase III Expansion Project	CSC & MOEA	88-93	72
Cold Rolling and Galvanizing Line Installation Project	ditto	89-92	138
No. 2. Power Plant Expansion	ditto	90-93	49
No. 2. BOF Plant Roof Ventilation System Installation Project	ditto	91-93	10
No. 4 Coke Oven Plant Preliminary Project	ditto	91-94	49

Cold Rolled Finishing Line Tension Leveler Installation	ditto	91-92	9
Scrap Cutting Plant	ditto	91-93	19
No. 3 Raw Water Reservoir Construction Project	ditto	91-93	14
Plate Mill On-Line Accelerated Cooling Facility Installation	ditto	91-93	32
No. 2 Blast Furnace Revamping Project	ditto	91-93	46
Industrial-Waste Incineration Plant Construction Project	ditto	91-93	17
Phase I & II By-product Light Oil System Revamping Project	ditto	91-94	7
By-product Plant Gas Desulphurization Project	ditto	91-94	42
By-project Plant Gas Storage Tanks	ditto	91-94	9
Waste Heat Recovery Facilities of Sinter Plant Project	ditto	92-94	50
No. 3 Slag Water Quenching System Installation Project	ditto	92-93	10
Phase I Continuous Casting Facility Revamping Project	ditto	92-93	68
Plate Shot Blasting and Prime Coating Equipment Installation	ditto	92-93	7
Hot Metal Desiliconization and Dephosphorization Equipment Installation Project	ditto	92-94	-45
Continuous Galvanizing Line	ditto	92-95	186
CI Chemistry Plant Project	ditto	92-95	170
Aluminum Foil Finishing Plant	ditto	93-95	7
Aluminum Foil Line Revamping Project	ditto	93-95	11
Cake Dry Quenching Project	ditto	93-97	148

No. 1 Hot Strip Mill Revamping Project	ditto	93-95	19
No. 4 Slag Water Quenching System Installation Project	ditto	93-95	11
Vibration Damping Steel Line	ditto	93-95	7
No. 3 Vacuum Degassing Equipment	ditto	93-95	38
Enameled Steel Sheets Line Project	ditto	93-95	7
			9.
No. 1 Blast Furnace Second Time Revamping Project	ditto	93-96	53
Pollution Control for FY1993-1996	ditto	93-96	217
Continuous Vacuum Deposition Line Project	ditto	94-96	61
TOTWON TOBOCCO OND WINE MONOPOLY BUREOU (TTWMB)		
Chengkung Brewery Molasses Process/Packing Facility Installation	TTWMB & MOEA	89-93	15
Pure Rice Wine Distillery Project	ditto	89-95	8
Pingtung Winery Expansion	ditto	90-92	7
Nantou Winery	ditto	90-94	7
Chiayi Winery Second Phase Expansion	ditto	90-95	346
Fushing Brewery First Phase Construction	ditto	90-95	233
Taichung Winery Relocation	ditto	90-96	211
Puli Winery Relocation	ditto	92-97	439
IOIWON_SUGOR_CORPOROTION_(ISC)			
Phase II Modernization of Sugar Mills	TSC & MOEA	93-97	91
Food Processing & Production Plant	ditto	91-92	11
Alcohol Tank Modernization at Hsinying By-product Plant	ditto	91-93	19

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Expansion of Lysine Purification Plant	ditto	91-93	12		
Animal Feeds Plant Modernization at New By-product Plant	ditto	93-94	16		
Construction of Fine Sugar Mill	ditto	91-97	130		
Paper Container Production Plant	ditto	91-93	6		
Phase I Modernization of Sugar Mills	ditto	81-92	6		
Modernization of Soy-bean Oil Solvent Extraction-Facility	ditto	94-96	7		
INDUSTRIAL_DEVELOPMENT_BUREAU_(IDB)_PROJEC	IIS				
Development of Off-shore Industrial Area	IDB, MOEA	91-2000	4,639		
Development of Scientific and Industrial Area	ditto	91-96	1,111		
Development of Ho-ping Cement Area, Hualien County	ditto	91-96	346		
Development of Ping-hai Industrial Area, Changhua County	ditto	90-98	1,650		
Establishment of Plants for Small-sized Business	ditto	91-94	913		
HYDROULIC_FLOOD_PREVENTION_DEVELOPMENT_PROJECTS					
Underground Water Monitoring Network	MOEA	92-98	.48		
Mei-lung Water Dam Construction	ditto	92-2000	856		
Third-phase Planning for Teh-chi Water Dam	ditto	92-97	32		

SCIENTIFIC_DEVELOPMENT_PROJECTS				
Environment & Resources	MOEA	92-97	313	
Infrastructure and Facilities	ditto	92-97	1,147	
Engineering and Design	ditto	92-97	230	
Material science, Production Line	ditto	92-97	74Z	
Food and Medicine	ditto	92-97	504	
Mechanics & Automation	ditto	92-97	758	
Electronics and Information Science	ditto	92-97	1,501	
OCCUPANT AND LOCATION				
SERVICE_INDUSTRY_PROJECTS				
Promotion of Business Automation	MOEA	91-2000	62	
Data Processing of Optical Disk Image	ditto	91-96	13	
Development of National Data on Industrial and Business Management	ditto	90-98	82	
Establishment of Fauna & Flora Species Examination Laboratory	ditto	91-96	26	
Development of Standard Measures Park	ditto	91-2001	136	
Establishment of Electrical Product Test Center	ditto	91-96	29	
ENVIRONMENTAL_PROTECTION_PROJECTS			4.	
Industrial Discharge Treatment Factory Renovation	MOEA & EPA	90-93	140	
Environmental Monitoring Systems in Linyuan, Ta-sheh	ditto	89-92	6	
Industrial Pollution Control	ditto	91-2000	54	
Industrial Waste Treatment Center	ditto	91-95	82	

OTHER_PROJECTS

Overseas Economic Cooperation Development Fund	MOEA	92-97	222
Development Fund for Small and Medium size Business	ditto	92-97	111
Purchase of New Office Building	ditto	92-97	19
Construction of Sulfuric/Nitric Acid Plant	ditto	91-97	131
2nd Set of Equipment for Acetic Acid Production	ditto	88-91	33
3rd Set of Equipment for Caprolactum Plant	ditto	89-92	136
Bottleneck Elimination Program for Acetic Acid	ditto	90-92	4

III. ENVIRONMENTAL PROTECTION ADMINISTRATION (EPA)

The Taiwan Environmental Protection Administration (EPA) projects comprise 68 of the total 775 projects in the plan, and account for US\$10.7 billion of the total US\$305 billion Six-Year Plan budget.

EPA projects along with their implementation dates and budgets for FY1992-FY1997 are provided below.

U.S. firms wishing to obtain further information on projects contained in the Six-Year Plan may contact:

Environmental Protection Administration 1 Hsiangyang Rd. Taipei, Taiwan

TEL: 886-2-311-7722

FAX: 886-2-311-5486

OF

American Institute in Taiwan Commercial Unit

Rm. 3207, 32F, 333 Keelung Rd., Sec. 1

Taipei, Taiwan

TEL: 886-2-720-1550 FAX: 886-2-757-7162 ATTN: Robert H. Strotman

> In US\$ million (US\$1 equals NT\$27)

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Projects	Responsible Agencies	Implemen- tation Period	Budget
Acceleration of Environmental Impact Assessment on projects	EPA	92-94	5
Air Quality Improvement in Taiwan	ditto	91-97	62
CPC-funded Garbage Recycling Plant	ditto	89-94	214
Industrial Waste Disposal Center	ditto	91-95	81
Industrial Waste Management Program	ditto	91-97	40
Environmental Quality Monitoring for Taiwan	ditto	91-97	70

Establishment of Environmental Policy Information Network	ditto	91-97	57
Establishment of Environmental Inspection Center	ditto	91-97	81
Environmental Monitoring System at Tasheh & Linyuan Industrial Zones	ditto	84-92	6
Industrial Pollution Control	ditto	91-2000	54
Industrial Pollution Control	ditto	90-94	1,277
Environmental Protection Projects for Kinmen Island	ditto	91-97	40
Global Atmospheric Quality Protection	ditto	91-97	3
Noise Control Improvement Project	ditto	92-97	16
Establishment of Chemical Disaster Preventive Systems	ditto	91-97	17
Toxic Chemical Control Projects	ditto	92-97	17
Improvement of Environmental Sanitation	ditto	91-97	34
Industrial Wastewater Pollution Control	ditto	91-97	47
Control of Waste Recycling Project	ditto	92-97	8
Improvement of Pig Farm Pollution Control Projects	ditto	91-93 '	4
Pollution Control for State-run Enterprises from 93-96	ditto	92-96	217
Wastewater Pollution Control at the State-run Sugar Refineries	ditto	93-2003	15
Sugar Mill Pollution Control Projects	ditto	93-97	14
Phase II Pollution Control at Taisugar Byproduct Plants	ditto	93	9
Protection of Underground Water Resources	ditto	91-97	145
Ocean Pollution Control	ditto	92-2001	707

Soil Pollution Control in Taiwan	ditto	91-97	34
Improvement of Waste-Water Treatment Plants at Industrial Parks	EPA & Industrial Development Bureau, MOEA	90-93	140
Investment in Environmental Protection at Sugar Refineries	Taiwan Sugar Corporation & EPA	89-92	7
Livestock Farm Pollution Control	EPA & Council of Agriculture	91-97	156
Construction of Feitsui Reservoir Upstream Sewerage System	Taiwan Provincial Authorities	92-97	3
Pollution Control & Diversion for Tamsui River	ditto	90-93	22
Planning for Sewerage Systems	ditto	91-2001	29
Construction of Sewerage Systems	ditto	91-2001	1,922
Phase II Wastewater Treatment Plant	ditto	90-92	1
Phase II Garbage Disposal Project for Taiwan Province	ditto	91-96	856
Landfill with Compressed Garbage at Changhua Coastal Area	ditto	92-96	74
Pollution Control at Industrial Parks	ditto	91-97	5
Control of Agricultural Pollution	ditto	91-97	5.
Improvement of Construction Waste Disposal Yards	ditto	91-97	42
Control of Industrial Wastes	ditto	91-97	7
Renewal of Pig Farm Pollution Control Facilities	ditto	93-2001	7
Pollution Control for Heavy Metal Contamination in Farm Land	ditto	91-97	2

		N.	
Environmental Protection Education and Publicity	ditto	91-97	10
Intensified Air Pollution Control	ditto	91-97	102
Noise Control Improvement for Primary & Junior High Schools	ditto	92-97	555
Noise Control in Taiwan	ditto	91-97	125
Pig Farm Pollution Control Projects	ditto	91-97	56
Construction of Sewerage Systems	Taipei City Authorities	91-2001	1,009
Shihlin Incinerator	ditto	89-96	249
Mucha Incinerator	ditto	87-94	120
Planning for Second Landfill (Phase I), Taipei City	ditto	91-94	104
Planning for Second Landfill (Phase II), Taipei City	ditto	91-95	272
Urban Garbage Disposal, Phase II	ditto	92-97	377
Taipei City Air Pollution Monitoring System	ditto	91-97	2
Construction of a Building for training of Public Servants	ditto	91-97	7
Heng-kuang Excavated Soil Landfill at Mucha	ditto	92-96	14
Nei-kou Excavated Soil Landfill at Neihu	ditto	92-99	136
Kuantu Plain Landfill for Excavated Soil	ditto	92-2002	271
Taipei Construction Surplus Soil Landfill	ditto	91-97	186
Pali Surplus Soil for Coastal Land Reclamation Project	ditto	92-97	335
Pollution Control for Houching River	Kaohsiung City Authorities	92-97	13

Pollution Control for Chiencheng River	ditto	92-97	19
Six-Year Plan for Sewerage Systems	ditta	91-2001	430
Construction of Recycling Plant	ditto	91-97	102
Kaohsiung Regional Sanitary Landfill	ditto	91-96	33
Landfill at Talinpu Coastal Area	ditto	88-92	6
Noise Control for Schools near	ditto	92-97	12

White House Staff and Office Files - Douglas Paal Files (NSC) Folder Title - Taiwan GATT 1990

Letter from David Kennedy to POTUS, Re: Taiwan and the GATT

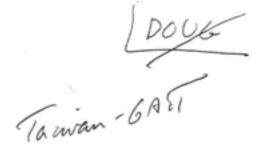
Re: China's application for membership in the GATT

Re: China, Taiwan, and the GATT

USA-ROC ECONOMIC COUNCIL

P. O. Box 517

Crystal Lake, Illinois 60014 Phone 815/459-5875 - Pacsimile 815/459-5011



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President George Bush The White House Washington DC 20500

Dear Mr. President,

Thank you for your very nice letter of October 31, 1990 on the occasion of the Fourteenth Annual Joint Business Conference of the USA-ROC Economic Council and your very kind words to me on my retirement as Chairman. My wife and I are most grateful.

May I take this occasion to give you my views on an issue of importance to our Council, and to the United States.

Of the top twenty trading economies in the world, Taiwan is the only one which is not a member of the General Agreement on Tariffs and Trade (GATT). Of all the nations in East Asia, Taiwan is the only significant non-Communist economy which is not a member of the GATT. In short, Taiwan is the largest trading entity outside of the GATT, the "Club" of International Traders, and its absence is increasingly a major anomaly which needs to be corrected.

Taiwan has earned a place at the GATT table. It is the world's 13th largest trading economy and the US' 5th largest trading partner. It has the world's second largest foreign exchange reserves and has become the biggest or one of the biggest foreign investors in the Philippines, Thailand, Malaysia and Indonesia. Taiwan is providing significant financial or economic aid to areas of importance to the United States, such as Costa Rica, Panama, the Philippines, the Dominican Republic and Eastern Europe. Taiwan is committed to the principles of a market economy and a democratic political system. And Taiwan supports the goals of the Uruguay Round.

Taiwan has made substantial progress over the last four years in allowing greater market access, in reducing tariffs, in liberalizing its financial markets, in

opening up its service sector, and in protecting intellectual property rights. The US has borne the main burden of persuading or negotiating with Taiwan to make these changes. GATT provides the much needed multilateral forum for moving Taiwan the rest of the way. The time has come, not only for the trading world to benefit from the contribution that Taiwan can make to the GATT community, but also for Taiwan to be under international trade discipline.

For their part, Taiwan has chosen the least objectional name possible to the PRC for its accession to the GATT - the "Customs Territory of Taiwan, Penghu, Kinmen and Matsu". For other GATT members, it has been made clear by UN precedent, that voting for GATT membership for an entity does not imply diplomatic recognition of that entity. Moreover, Taiwan has also walked the extra mile by agreeing to come into GATT as a developed nation, even though this imposes a much more rigorous discipline upon them than entering under developing nation status.

Let me elaborate on this technical point. I think is important that Taiwan extended as a full contracting party and as a developed economy. This means entering GATT before or at the same time as the People's Republic of Chini (PRC). If Taiwan were to enter after the PRC, as the PRC desires, and on their terms as a subordinate entity of the ROC, then Taiwan would have to enter as a <u>developing</u> economy like the PRC. This would impose less rigorous discipline on Taiwan and would be much less desirable from the point of view of the US and ther advanced industrications.

X It is also timely, in the right of growing international trade tensions, that Taiwan be member of the GATT.

In sum, on economic grounds, there are overwhelming reasons why Taiwan should be in the GATT.

There are other reasons why I recommend the US take a stronger position now than it has in the past in supporting Taiwan's application to join the GATT. US business firms are facing an increasingly tough competitive environment in Taiwan, especially from European firms. US influence in Taiwan is not what it used to be. I think the psychological impetus of a strong US supportive position on Taiwan's GATT application would be helpful to US business. With billions of dollars worth of major projects coming up in Taiwan's new 6-year economic plan, including nuclear power plants, new or expanded rapid transit sytems, ports, airfields, telecommunication systems and environmental protection projects, this is important.

Firmly, I think it is important to US objectives towards the PRC that Taiwan, as an alternative economic and social system dedicated to a market economy and political democracy, continue to be healthy and prosperous and increasingly integrated into the international economy. The leaders in Beijing get many of their ideas for economic and other reforms from observing what works in Taiwan, Hong Kong, Singapore, South Korea and other rapidly developing Asian economies.

I know that we have held back from being more strongly supportive of Taiwan's GATT application because of our occur over the possible PRC reaction, especially during the mid-tast crisis. But in an experience there is reven a "good" time to be supportive of Taiwan. When US-PRC relations are good to worry about rocking the beat; when US-PRC relations are bad we worry that doing something for Taiwan will be "the last straw".

As you know better than anyone, we should do what is in the US national interest when it is right. The PRC's position in the middle east crisis has been established with its absention on the recent UN vote. The PRC's future position on middle east issues will be governed by the PRC's interests in the middle east, not by anything the US does for Taiwan.

Finally, the question is, what is right? It is right that Taiwan be in the GATT. It is not right that Taiwan continue to be excluded. If the US is to continue to be a world leader, we must take the lead on issues that are right. If we move to support Taiwan's application to the GATT, the other trading nations will join us. If we continue to hold back, the others will continue to hold back.

Mr. President, Taiwan applied a year ago for entry to the GATT. While the US has supported its application, our support has been lukewarm and we have held back from pressing for Taiwan's immediate entry and done nothing to help establish a GATT Working Group on Taiwan. Meanwhile, a Working Group has been considering the PRC application for some time. I strongly recommend that you take the steps necessary to support the entry of Taiwan into the GATT as soon as possible.

Mr. President, as Chairman of the USA-ROC Economic Council, I have not gotten involved in a major issue like this since the Taiwan Relations Act in 1979. In my 14 years as Chairman I have felt it important that the Council stick to business. But this is a major economic issue with significant business implications. I think that it is right, and that it is in the US' and the world's interest that Taiwan be in the GATT soon.

Thank you for your time and consideration.

Sincerely,

David M. Kennedy Chairman

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose peological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
02. Intelligence assessment	From CIA RE: China, Taiwan, and the GATT (20 pp.)	09/90	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan GA	N	OA/ID Nur Date Close	nber CF01511 d 08/06/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOLA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan GATT 1991

Re: Taiwan and the GATT, G-12 consultations

Re: Taiwan and the GATT

Supporting Taiwan's GATT application, legal issues Ray S. Cline correspondence, Re: Taiwan and the GATT

Re: Taiwan GATT strategy Re: Taiwan and the GATT

China and the GATT, meeting with PRC delegation Summary of Chinese news coverage of the GATT Taiwan and the GATT, guidance for informal meeting

SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
Forwarded from the Ragle to James Keith RE: Taiwan and the GATT, G-12 consultations (2 pp.)	12/06/91	P-1, F-1, P-5	С
dential Records			
Files			
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֡	Forwarded from the Ragle to James Keith RE: Taiwan and the GATT, G-12 consultations (2 pp.) dential Records curity Council Files	Forwarded from the Ragle to James Keith RE: Taiwan and the GATT, G-12 consultations (2 pp.) dential Records curity Council Files	Forwarded from the Ragle to James Keith RE: Taiwan and the GATT, G-12 consultations (2 pp.) P-1, F-1, P-5 dential Records recurity Council Files

RESTRICTION CODES

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F-1 National security classified information [(b)(1) of the FOIA]

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F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

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F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOLA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
03. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan and the GATT (1 pp.)	10/04/91	P-1, F-1, P-5	С
			p 9	
	dential Records ecurity Council		,	
Doug Paal	Files			
FILE LOCATIO Taiwan G		OA/ID Num	ber CF01511	
		Date Closed	08/06/2002	1

RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Text	RE: Supporting Taiwan's GATT application, legal issues (1 pp.)	10/04/91	P-1, F-1, P-5	
COLLECTION				
	idential Records ecurity Council Files			
FILE LOCATIO	N	0.000		
Taiwan GA	ATT 1991		ber CF01511	1
		Date Closed	08/06/2002	-

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Global Strategy Council

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Research Directors: Dr. Yonah Alexander Mrs. Marjorie W. Cline Dr. Roger W. Fontaine Mr. Robert L. Katula Mr. Robert C. MacKenzie Mrs. Janet Morris July 25, 1991

The President The White House Washington, DC 20500

Dear Mr. President:

I do not disagree with your approach on MNF status for China but am pleased you are supporting the free-market democratic society of Taiwan. Only the advanced economic and political movement in Taiwan will eventually force Beijing to relax its Leninist dictatorship. That is what we all want.

Enclosed is an op-ed piece on your change of policy on allowing Taiwan to enter GATT. To me it is a forward move, pressuring Beijing to change.

Marjorie and I send greetings to you and Barbara.

Cordially,

Ray S. Cline

Please see that this gets to the President. Thank you!

THE WHITE HOUSE WASHINGTON

Dear Ray:

Thank you for your note and the copy of your op-ed article from the <u>Washington Times</u> on Taiwan and the GATT. I appreciate your characterization of my decision on this issue as a "positive step."

Barbara and I also wish to send our best wishes to you and Marjorie.

Sincerely,

Dr. Ray Cline Chairman United States Global Strategy Council Suite 1102 1800 K Street, NW Washington DC 20006

DOCUMENT NO. AND TYPE	SUBJEC	T/TITLE	DATE	RESTRICTION	CLASS
05a. Handwritten notes	RE: Taiwan GATT strategy	(1 pp.)	n.d.	P-1, F-1, P-5	
-					
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	dential Records ecurity Council Files				
FILE LOCATION Taiwan GA	N		OA/ID Num	aber CF01511	
			Date Closed	08/06/2002	-

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F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
05b. Cable	From American Embassy, Brussels to Secretary of State RE: Taiwan and the GATT [SENT FOR AGENCY REFERRAL] (1 pp.)	07/25/91	P-1, F-1	С
		3		
	dential Records ecurity Council Files			
FILE LOCATIO Taiwan GA		OA/ID Num Date Closed	ber CF01511 08/06/2002	1

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05c. Cable	From Secretary of State to U.S. Mission, Geneva RE: China and the GATT: Geneva meeting with PRC GATT delegation (4 pp.)	07/26/91	P-1, F-1, P-5	
	dential Records			
National S Doug Paal	ecurity Council Files			
FILE LOCATIO Taiwan G		OA/ID Num Date Closed	ober CF01511 08/06/2002	1

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UNCLASSIFIED

EAP/L CARDS CENTER

PAGE 81 ATT TA 85229 87 OF 21 248587Z 814593 \$838346 ACTION: TC (83)

INFO LOG-88 ADS-88 AGRE-88 AIT-83 AMAD-81 CIAE-88 COME-88 DOGE-88 EB-88 H-81 INRE-88 INR-81 LOG-81 MSAE-88 NSCE-88 PA-82 PRS-81 SP-88 STRE-88 STR-18 TRSE-88 USIE-88 /831W

-----8188F6 248588Z /38

P 2484852 JUL 91
FM AIT TAIPE!
TO AIT WASHDC PRIORITY
AMEMBASSY BEIJING
AMCONSUL HONG KONG
CINCPAC HONOLULU HI
AMEMBASSY TOKYO
AMEMBASSY SEOUL

UNCLAS SECTION 87 OF 21 TAIPEI 85229

AIT/W PASS
SECSTATE FOR EAP/RA/TC, EB/STA, H PASS HFAC
USIA FOR P/P, EA, VOA/BRF CNINA SERVICE
USTA FOR KRISTOFF
USDOC FOR 443B/IEP/EAP/OPB DROKER
TREASURY
USDA FOR FAS/ITP
LIBRARY OF CONCRESS FOR FRD/OS/MURPHY
AND FOR CRS/FAMD/SUTTER

CINCPAC FOR USIA ADVISOR

E.O. 12356: N/A TAGS: OPRC, TV SUBJECT: AIT/CIS SUMMARY OF CHINESE LANGUAGE PRESS

- CHIMA TIMES, WASHINGTON-GENEVA DATELINE, BY LOUISA JAN, "TAIWAN SHOULD START LOBBYING GATT'S ACTIVE MEMBERS," JULY 23, COMMERCIAL TIMES, JULY 23:

DOUG MEWKIRK, ASSISTANT U.S. TRADE REPRESENTATIVE FOR GATT AFFAIRS, SAID THAT U.S. PRESIDENT GEORGE BUSH'S FIRM SUPPORT FOR TAIWAN'S GATT ADMISSION WILL CONTRIBUTE TO THE ESTABLISHMENT OF A GATT WORKING GROUP TO HANDLE TAIWAN'S CASE. WITH SUCH AN ESTABLISHMENT, TAIWAN'S ADMISSION INTO GATT WILL BE WITHIN REACH, HE SAID.

NEWKIRK, WHO IS IN GENEVA, WAS INFORMED OF BUSH'S AMMOUNCEMENT BY THIS REPORTER OVER THE WEEKEND.

THE DRAFTER OF THE USTR DOCUMENT RECOMMENDING THAT BUSH GIVE FIRM SUPPORT TO TAIMAN SAID THAT HE FEELS VERY HAPPY ABOUT BUSH'S DECISION. "HE CONSIDERS BUSH'S ANNOUNCEMENT A "VERY FIRM AND COMPLETELY NEW POSITION." QUOTING BUSH'S WORDS THAT "THE UNITED STATES WILL BEGIN TO ACTIVELY START WORKING WITH OTHER MEMBER STATES," NEWKIRK SAID IT IS THIS LINE THAT PROVIDES THE "MOST IMPORTANT" MESSAGE.

HE SAID IT WILL BE HIS JOB TO COORDINATE WITH OTHER GATT MEMBERS ON TAIWAN'S APPLICATION. HE SAID HE

HAS TO COMSULT WITH HIS SUPERIOR -- U.S. TRADE REPRESENTATIVE CARLA HILLS -- TO DEVELOP A STRATEGY BEFORE GOING ANY FURTHER. AIT TA 85229 87 OF 21 248587Z 814593 S838346

IN THE FOLLOWING INTERVIEW, NEWKIRK SAID THE FIRST OF THE MAJOR BARRIERS FOR TAIWAN TO OVERCOME IS THE ESTABLISHMENT OF A WORKING GROUP WITHIN GATT.

- Q: WHAT IS YOUR COMMENT ON BUSH'S SUPPORT FOR TAIWAN'S GATT APPLICATION?
- A: VERY POSITIVE.
- Q: SINCE YOU ARE THE ONE WHO DRAFTED THE USTR PROPOSALS, CAN YOU SAY WHETHER BUSH FULLY ACCEPTED YOUR DRAFT?
- A: MOST OF IT, BUT NOT ALL.
- Q: THE BUSH ADMINISTRATION APPARENTLY INTENDS TO ENCOURAGE THE CHINESE COMMUNISTS FIRST TO PURSUE TRADE REFORMS BEFORE BEIJING'S APPLICATION TO GATT CAM BE BROUGHT UP AGAIN. IS THIS CORRECT?
- A: YES. APPARENTLY, BEIJING HOPES THE SAME.
 RIGHT HOW, THEY HAVE A LARGE DELEGATION OF ABOUT 18
 MEMBERS HERE IN GENEVA. THEY ARE HERE TO PUSH THEIR
 APPLICATION FOR GATT.
- Q: LET'S GO BACK TO BUSH'S LETTER SUPPORTING TAIWAN. SOME OF THE PHRASES IN IT CONTAIN WHAT I

BELIEVE TO BE THE FIRST-EVER USE BY THE ADMINISTRATION OF SUCH LANGUAGE AS "FIRM POSITION," "SOON BEGIN TO ACTIVELY START WORKING WITH OTHER MEMBERS," ETC. DO YOU AGREE WITH ME?

A: NOT ONLY ARE SUCH EXPRESSIONS BEING USED FOR THE FIRST TIME, THEY ALSO MARK A VERY FIRM AND COMPLETELY MEV POSITION. ESPECIALLY THE LINE ABOUT "SOON BEGIN TO START WORKING..." CARRIES THE MOST SIGNIFICANT MEANING.

UNCLASSIFIED

ACTION

EAP/L CARDS CENTER

PAGE 81 AIT TA 85229 88 OF 21 248588Z 814591 ACTION: TC (81)

\$838358

INFO: CM (83) EAP (84) P (81) RA (81) EP (82)

24/1422Z A2 DHT (TOTAL COPIES: 812)

ACTION EAP-88

INFO LOG-88 ADS-88 AGRE-88 A1T-83 AMAD-81 C1AE-88 COME-88 DODE-88 EB-88 H-81 INRE-88 INR-81 LOC-81 MSAE-88 NSCE-88 PA-82 PRS-81 SP-88 STRE-88 STR-18 TRSE-88 USIE-88 /831W

-----818988 2485887 /38

P 2484852 JUL 91 FM AIT TAIPEI TO AIT WASHDC PRIORITY AMEHBASSY BEIJING AMCONSUL HONG KONG CINCPAC HONOLULU HI AMEHBASSY TOKYO AMEHBASSY SEOUL

UNCLAS SECTION 88 OF 21 TAIPEI 85229

AIT/W PASS
SECSTATE FOR EAP/RA/TC, EB/STA, H PASS HFAC
USIA FOR P/P, EA, WOA/BRF CHIMA SERVICE
USTR FOR KRISTOFF
USDOC FOR 4438/IEP/EAP/OPB DROKER
TREASURY
USDA FOR FAS/ITP
LIBRARY OF COMCRESS FOR FRD/OS/MURPHY
AND FOR CRS/FAND/SUTTER

CINCPAC FOR USIA ADVISOR

E.O. 12356: N/A TAGS: OPRC, TW SUBJECT: AIT/CIS SUMMARY OF CHINESE LANGUAGE PRESS

- Q: DOES THIS MEAN THAT THE UNITED STATES WILL TAKE THE LEAD?
- A: YES, YOU MIGHT PUT IT THAT WAY.
- Q: AFTER THIS AMMOUNCEMENT, DO YOU THINK THAT THE MEXT STEP BY THE U.S. WILL BE TO HELP ESTABLISH A GATT WORKING CROUP? AND IS THERE A LONG MAY TO GO BEFORE TAIWAM CAN BE ADMITTED INTO THE ORGANIZATION?
- A: NOT MECESSARILY. AFTER THE WORKING CROUP IS ESTABLISHED, OTHER STEPS WILL BE EASIER FOR TAIWAM, AND IT WON'T BE FAR OUT OF TAIWAM'S REACH TO BECOME A MEMBER.
- Q: I UNDERSTAND THAT A MAJOR IMPEDIMENT TO TAIWAN'S GATT APPLICATION HAS BEEN THE DIFFICULTY OF FORMING SUCH A WORKING GROUP. BUT AREN'T TWO-THIRDS OF THE VOTES REQUIRED FOR TAIWAN'S ADMISSION?
- A: THE FORMATION OF SUCH A WORKING GROUP HAS BEEN AN OBSTACLE TO TAIWAN'S GATT BID. IF THE UNITED STATES AND OTHER MAJOR COUNTRIES CAN REACH A CONSENSUS ON ESTABLISHING A WORKING GROUP, IT WILL BE MUCH EASIER TO MOVE ON TO SUBSEQUENT STEPS.
- Q: AS I UNDERSTAND IT, SOME ONE HAS TO PROPOSE THE ESTABLISHMENT OF SUCH A WORKING GROUP AT THE GATT COUNCIL MEETING. WILL THE UNITED STATES PRESENT

AIT TA 85229 88 OF 21 248588Z 814591 S838358
THIS IDEA? HOW MANY MEMBERS ARE THERE IN THE
COUNCIL?

A: I DON'T KNOW WHETHER THE U.S. WILL ACT TO PRESENT THIS IDEA. I DO THINK THAT WE MEED TO MAP OUT A STRATEGY BEFORE TAKING ACTION.

THE COUNCIL MEETS EVERY MONTH, BUT MOT ALL 184 GATT MEMBERS ARE COUNCIL MEMBERS. COUNCIL MEMBERS ARE THOSE ACTIVE MEMBER COUNTRIES WHICH HAVE FULL-TIME REPRESENTATIVES IN GENEVA, INCLUDING SOME COUNTRIES OF THE THIRD WORLD.

- Q: VILL THE WORKING GROUP BE ESTABLISHED ONLY AFTER AN AGREEMENT HAS BEEN REACHED AMONG THE 68 ACTIVE MEMBERS?
- A: THEY ONLY HAVE TO EXPRESS SUPPORT FOR THE ESTABLISHMENT OF A WORKING GROUP ON TAIWAN'S BEHALF.
- Q: IT SEEMS THAT TAIMAN MUST ACTIVELY LOBBY THE GB-SOME REPRESENTATIVES OF THE GATT COUNCIL MEMBERS. WHAT IS YOUR VIEW ABOUT THE GENERAL DEVELOPMENT SO FAR?
- A: I AM VERY PLEASED, AND I AM LOOKING FORWARD TO HAVING THIS NEW ASSIGNMENT STARTING WEXT MONDAY. (FULL) OCC)
- LOCAL SCHOLARS COMMENT ON BUSH'S SUPPORT FOR TAIWAN'S GATT BID
- UNITED DAILY NEWS, BY CHEN I-HSIN, ASSOCIATE PROFESSOR AT GRADUATE INSTITUTE OF AMERICAN STUDIES, TAMKANG UNIVERSITY, "BUSH GUARANTEES SUPPORT FOR

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06b. Cable	From Secretary of State to U.S. Mission, Geneva RE: Taiwan and the GATT: Guidance for GATT informal meeting (2 pp.)	n.d.	P-1, F-1, P-5	С
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan G	N	OA/ID Nur Date Closes	nber CF01511 d 08/06/2002	1,

RESTRICTION CODES

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White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-Mainland 1991

Re: APEC

Re: APEC and China

Re: Russian arms sales to China

Re: Draft Taiwan paper Re: U.S.-Taiwan relations

Re: "Flexible" timetable for reunifying Taiwan and China

Re: PRC and Taiwan contacts

Re: China, Taiwan, and the Middle East

Re: Jiang Zemin speech

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03. Cable	From American Embassy, Tokyo to American Embassy, Seoul RE: APEC [SENT FOR AGENCY REFERRAL] (1 pp.)	03/14/91	P-1, F-1	С
	dential Records scurity Council Files			
FILE LOCATIO	ninland 1991	OA/ID Num	ber CF01511 08/06/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04b. Cable	From AIT, Washington D.C. to various RE: APEC and China (4 pp.)	03/11/91	P-1, F-1, P-5	С
COLLECTION	d-stirl Bd-			
	dential Records ecurity Council Files		,	
Taiwan-Ma	N ainland 1991	OA/ID Num	ber CF01511	
		Date Closed	08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information |(a)(4) of the PRA|
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05. Cable	Forwarded from White House Situation Room to various RE: Soviet Union arms sales to PRC [SENT FOR AGENCY REFERRAL] (2 pp.)	02/21/91	P-1, F-1	S
	idential Records ecurity Council Files			
FILE LOCATIO	N	OA/ID Num	ber CF01511	
		Date Closed	08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of
- financial institutions [(b)(8) of the FOIA] F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06a. Cover sheet	From Barbara to Kent RE: Draft Taiwan paper (1 pp.)	02/12/91	P-1, F-1, P-5	S
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	dential Records ecurity Council Files		,	
Taiwan-Ma	N ainland 1991	OA/ID Num Date Closed	ber CF01511 08/06/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose peological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06b. Paper	From Richard A. Solomon to Mr. Kimmitt RE: U.STaiwan relations (11 pp.)	n.d.	P-1, F-1, P-5	S
	dential Records ecurity Council Files		ν	
FILE LOCATIO		OA/ID Nur Date Close	nber CF01511 d 08/06/2002	٠,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute |(b)(3) of the FOIA|

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
07. Cable	Forwarded from the White House Situation Room to various RE: Deng Xiaoping's "flexible" timetable for reunifying Taiwan (3 pp.)	02/02/91	P-1, F-1, P-5	
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-Ma	N ainland 1991	OA/ID Num Date Closed	ber CF01511 08/06/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08. Cable	Forwarded from the White House Situation Room to various RE: PRC and Taiwan contacts (3 pp.)	02/01/91	P-1, F-1, P-5	S
	dential Records			
National S Doug Paal FILE LOCATIO				
Taiwan-Ma	ainland 1991	OA/ID Num Date Closed	08/06/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
09. Cable	Forwarded from the White House Situation Room to various RE: China, Taiwan, and the Middle East [SENT FOR AGENCY REFERRAL] (3 pp.)	01/22/91	P-1, F-1	S
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COLLECTION				
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID N	has CEOISII	
Taiwan-M	ainland 1991		ber CF01511	5.
		Date Closed	08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
10. Cable	From CIA to State and others RE: Jiang Zemin speech [SENT FOR AGENCY REFERRAL] (2 pp.)	01/19/91	P-1, F-1	S
COLLECTION				
	dential Records ecurity Council Files		¥	
FILE LOCATIO Taiwan-M	N ainland 1991	OA/ID Num Date Closed	ober CF01511 08/06/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute |(a)(3) of the PRA|
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC) Folder Title - Taiwan Military Policy 1990

Re: Taiwan Air Force

Re: U.S. military relations with Taiwan

Re: January 1990 Taiwan visit

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
02. Report	From CIA RE: Taiwan Air Force (26 pp.)	04/90	P-1, F-1, P-5	S
-				
	dential Records ecurity Council Files		,	
FILE LOCATIO		OA/ID Nur	nber CF01511	
		Date Close	d 08/08/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose prological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03a. Memo	From David N. Laux (AIT) to various RE: U.S. military relations with Taiwan (2 pp.)	02/26/90	P-1, F-1, P-5	S
-				
	dential Records ecurity Council Files			
FILE LOCATION Taiwan Military Policy 1990		OA/ID Number CF01511 Date Closed 08/08/2002		

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

- F-1 National security classified information [(b)(I) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes |(b)(7) of the FOIA|
- F-8 Release would disclose information concerning the regulation of financial institutions ((b)(8) of the FOIA
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOLA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03b. Memo	From Gary Weis (AIT) to David N. Laux RE: January 1990 Taiwan visit (7 pp.)	02/20/90	P-1, F-1, P-5	S
National S	idential Records ecurity Council		,	
Doug Paal				
FILE LOCATIO Taiwan Mi	N ilitary Policy 1990	OA/ID Num	ber CF01511	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- F-3 Release would violate a Federal statute |(b)(3) of the FOIA|
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC) Folder Title - Taiwan Military Policy 1990 Re: RGM-84 Anti-Ship Missile Defense System

DOCUMENT NO. AND TYPE	SUBJECT/TITLE		DATE	RESTRICTION	CLASS
01. Briefing material	RE: RGM-84 Anti-Ship Missile Defense System	(6 pp.)	06/25/91	P-1, F-1, P-5	
	dential Records ecurity Council Files			,	
FILE LOCATIO Taiwan Mi	N Ilitary Policy 1991		OA/ID Num	ber CF01511 08/08/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office |(a)(2) of the PRA|
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]
- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

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- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1991 [1]

Re: Taiwan Chief of General Staff

Re: Message from President Lee

Proposed strategic alliance between McDonnell Douglas (MDC) and Taiwan Aerospace

Corporation (TAC)

Briefing book on MDC/TAC alliance

Briefing book on MDC/TAC alliance, teammate questions

MDC/TAC alliance justification

MDC/TAC alliance vs. Airbus alliance

Re: Taiwan domestic scene

Re: Taiwan developments

Re: Taiwan developments

Re: Taiwan political situation

Re: Taiwan political situation

Re: Chinese military

Re: Taiwan current domestic scene

Re: Taiwan political situation

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
01b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan Chief of General Staff (6 pp.)	10/27/91	P-1, F-1, P-5	S
	dential Records ecurity Council Files		4	
FILE LOCATIO Taiwan-U.	N S. 1991 [1]	OA/ID Num Date Closed	ber CF01511 08/08/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted Invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Message from President Lee [SENT FOR AGENCY REFERRAL] (1 pp.)	12/05/91	P-1, F-1	S
			,	
National S	dential Records ecurity Council		,	
Doug Paal				
Taiwan-U.		OA/ID Num	ber CF01511	
				14

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

08/08/2002

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute |(b)(3) of the FOIA|

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy |(b)(6) of the FOIA|

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

Proposed Strategic Alliance between MDC and Taiwan Aerospace Corporation

Tansan

- It is the intention of McDonnell Douglas to engage in serious negotiations the end product of which will be a strategic alliance in which Republic of China investors could acquire as much as 40% of McDonnell Douglas' commercial airliner business for up to \$2 billion.
- Our defense activities will remain 100 percent U.S. owned. The joint venture will involve only the commercial portion of Douglas aircraft. Under this venture McDonnell Douglas will maintain majority ownership and management control of the new company.
- Such a strategic alliance will give us the opportunity to build state-ofthe-art commercial aircraft in a cost-efficient way, including the long range, wide body MD-12. It will position McDonnell Douglas in a key strategic area of the world.
- This venture will strengthen McDonnell Douglas as a company and therefore strengthen both the U.S. defense and commercial industrial base. It will create a dynamic new force in the global commercial aviation market.
- Soon after a final agreement is reached, we will select a U.S. site and start construction on a major final assembly facility for the MD-12 aircraft. Depending on the production rate of the new aircraft, several thousand manufacturing jobs will be created at this facility.
- We are fully aware of our responsibilities under U.S. laws relating to foreign investment and technology transfer and we take them very seriously. We will comply fully with both the spirit and the letter of these laws.
- The new company will be a commercial venture; i.e., investments will be on strictly commercial terms, accountable to the disciplines of the marketplace.
- In summary, we think this venture will substantially strengthen our
 commercial aviation business and will increase our ability to build
 premier commercial aircraft. It is a dynamic partnership that embraces
 the global marketplace of the future. This venture will have a
 positive impact on U.S. trade with Asia and the rest of the world.

Briefing Book

Questions and Answers Background

1. Q: In the news release it says that investors in the Republic of China are buying up to a 40% share of McDonnell Douglas' commercial aircraft business. Isn't Douglas military as well as commercial? Will the Taiwan Aerospace Corporation be buying government contracts as well?

A: On November 6, Douglas Aircraft Company announced that they had begun to separate the commercial and government operating segments. Their goal to complete the split by January 1, 1992. The agreement with Taiwan Aerospace involves the commercial segment only. Regardless of the sale of a minority portion of the commercial business, the splitting of the two segments for accounting purposes makes sense. The military segment of the business (principally the C-17 program) will remain 100% wholly owned and operated by McDonnell Douglas.

1a.Q: Why have you done this?

A: This alliance constitutes a dynamic look to the future of commercial aviation while building on numerous global alliances that have been crafted by aviation manufacturers. McDonnell Douglas has a long, distinguished history of producing commercial aircraft and an outstanding capability to product future commercial aircraft. Taiwan Aerospace Corporation provides financial resources and increased access to Asian markets. By putting these two together, we expect to create a venture that will be a premier manufacturer of commercial aircraft.

1b. Q: What happens next?

A: An agreement in principle has been reached. As soon as possible, we will send a team to Taiwan to engage in final negotiations. We hope to sign a binding agreement in about two months. Production on the MD-12 is

scheduled to begin early in 1992 (providing the market warrants a launch decision). Plans call for a first flight to take place in November 1995, FAA certification in December 1996 and first deliveries in January 1997. A final, U.S. site for assembly will be selected by early 1992.

2. Q: Won't there by opposition to this sale from those who are concerned about the loss of American technology, particularity those that guard U.S. military technology?

A: Commercial aircraft technology is not unique to the United States. The European consortium that builds the AIRBUS are on an even technological footing with Boeing and McDonnell Douglas. The U.S. will not be losing any unique technology. Military technology is protected since no part of our military operations are involved in the sale. Douglas began to separate its military and commercial programs on November 6, 1991.

3. Q: Won't you be giving American jobs away to Asians?

A: We don't think so. Without the financial backing to build the MD-12, McDonnell Douglas will cease to be a real competitor in commercial aviation. The result would be a steady erosion of jobs at Douglas. The MD-12 we will be able to go after a significant portion of the lucrative wide-body market.

4. Q: Why are you selling out to the Asians? Haven't we already lost significant portions of our auto, steel and shipbuilding industries to the Far East? Does this mean that aerospace is next to go?

A: Aerospace is the United States' leading export commodity and we expect it will remain that way so long as America maintains its technological lead. The foreign content in all airliners is already considerable. All three of the world's major aircraft manufacturers utilize some form of strategic alliance. Boeing is working with the Japanese on commercial airliners. General Dynamics is working with Japan and Korea on military aircraft. MDC has working relationships

with the People's Republic of China on twin-jet airliners. Global alliances are becoming the way to do business in commercial aerospace. McDonnell Douglas will maintain majority ownership of this new company so we reject the notion that we are selling out. By taking on an Asian risk-sharing partner we will gain a significant marketing presence in the region. And last, the cash generated by a venture of this type will strengthen our overall corporation thereby providing a benefit to the government aerospace side of our corporation.

Q: Why Taiwan? Why not Japan or _____?

A: The Republic of China (or Taiwan) has emerged as a world economic power: 13th largest trading nation in the world; a growing percapita GNP, and foreign exchange reserves of more than \$70 billion; and it has opened its economy and society to the outside world. The Island is one of the most modern and progressive societies in Asia, enjoying a democratic form of government, a free press. The Taiwan Aerospace Corporation is agreeing to build the most modern manufacturing and sub assembly facilities in the world. That coupled with the new MD-12 final assembly facility to be built in the United States will make the new company the highest quality lowest cost producer of wide-body jetliners in the world.

6. Q: Couldn't you find risk sharing partners in the United States?

A: No -- at least none who were willing to buy into our commercial aircraft operations and to make the substantial investment in facilities to help us become the highest quality, lowest cost producer of commercial aircraft in the world.

7. Q: It has been reported in the press that you also sought risk sharing partners in Japan, Singapore, Korea and Indonesia. Was Taiwan the only one willing to join you in this venture? A: Taiwan was willing to take the largest portion of the minority share of the new commercial aircraft company. We continue to have talks with other prospective risk-sharing partners around the world, but in no case will McDonnell Douglas give-up majority interest in the company.

8. Q: What will be the impact of this new company on Exon-Florio?

A: We are confident that any final agreement between McDonnell Douglas and the Taiwan Aerospace Corporation will be permissible under the Exon-Florio process. There are no national security implications under the kind of agreement we are pursuing. Any final definitive agreement will be subject to requisite government approvals in both the United States and Republic of China.

9 Q: MDC and Boeing have been complaining for a number of years about the subsidization of Airbus. Given the anticipated involvement of Taiwan in the project you have announced, and given the large amounts of money involved, isn't MDC essentially "selling out" to the benefits of heavy government subsidization?

A: There is a world of difference between the \$10-20 billion in direct subsidies that Airbus member companies have received from and the equity investment being contemplated here.

-If one or more European governments had simply bought equity investments in Airbus at prices that reflected the market value of the shares being acquired, there would be no trans-Atlantic dispute over the subsidization of Airbus. Instead, what we have in the case of Airbus is massive government support in the form of (a)noncommercial investment in government-owned companies (b) direct grants, (c) loans and loan guarantees on noncommercial terms, (d) loan forgiveness, and (e) foreign exchange rate guarantees.

 McDonnell Douglas's commercial transport business is not a Taiwan company, and it is thus a bit difficult to see why the government of that country would be so kind as to subsidize us. Taiwan has carefully reviewed financial, product development, marketing, and other information related to our commercial transport business, and any investment it makes will undoubtedly reflect its careful assessment of the market value of the shares it will receive.

10 Q: The United States is currently pursuing two GATT cases against Airbus, one of which is reportedly close to a panel decision and the other of which apparently awaits a US decision on whether or not to request the formation of a panel. Isn't the transaction you have described likely to undercut the US Government's interest in pursuing these GATT cases, and your chances of success if the cases are pursued?

A: We see no reason why the transaction we have described would hurt the strong GATT cases against Airbus, and we have every confidence that the U.S. Government will continue to aggressively confront the massive European subsidization of Airbus.

 As explained above, there is a world of difference between the massive government assistance accorded to Airbus and Taiwan's contemplated equity investment in MDC's commercial transport business.

-The GATT cases constitute US claims against the EC and the Airbus member governments. There is nothing whatsoever in the contemplated transaction that undercuts the US right to be free of, or to be compensated for, massive European subsidies that are inconsistent with GATT obligations.

- Finally, a number of U.S. Government officials have been briefed concerning the formation of this new company. We have no reason to believe that the transaction will in any way affect -- not should it affect -- US pursuit of its GATT claims against Airbus.

11. Q: Who is Taiwan Aerospace Corporation?

A: Taiwan Aerospace is a group of Republic of China business interests that got together earlier in the year to be both a prime contractor and subcontractor in the aerospace industry. Several major ROC companies have provided the start-up capital for the venture. Additional funding has come from government backed institutions. TAC is headed by Dr. David H. Huang, a pioneer of the aviation industry in the ROC., and by Dr. Denny R.S. Ko, a leader in promoting high technology industries in the Pacific Rim. Huang is TAC Chairman and chief executive officer and brings more than 35 years of experience in the aerospace industry. He was most recently acting president of Chung Shan Institute of Science and Technology. For 22 years, Huang was part of the Rockwell International, USA Team working on U.S. space programs. He holds four U.S. patents in rocket propulsion systems and has been awarded the NASA Apollo Lunar-Launching Achievement Award and the NASA Space-Lab Achievement Award. (separate fact sheet available)

12. Q: Could the technology gained by Taiwan be put to other, less desirable uses?

A: The expertise on both sides is in commercial aviation only. It is not anticipated that it would be used for any other purpose, and there are no national security implications. Taiwan is a very small, but very open society. It will be very easy to monitor the uses of commercial aerospace technology.

12A: Aren't you worried that Taiwan will become a competitor at some time in the future?

Q: No. With a direct equity stake in this venture, there would be no motivation for them to pull out of this new company. They would neither have the final assembly site, the design capabilities, the market network or the product support infrastructure to be a competitor.

13: Q: Aren't you concerned about the relations between Taiwan and the PRC? Won't it affect your good relations with them?

A: Relations between the two are at an all time high-point. MDC has excellent relations with both. The alliance with Taiwan will in no way harm our present operations or our future in the Peoples Republic of China.

14. Q: What will happen to existing airline contracts?

A: There will be no change. MDC will stand behind existing airliner orders. Once the new company is up and running, new orders will be secured through it.

15. Q: When will this deal become final?

A: Both sides are now in a "due diligence phase" leading to an agreement. The deadline for that phase is 31 January 1992. Shortly after that, the new company will be formed.

16. Q: What will happen to current Douglas employees?

A: Those working on military programs (C-17) will remain working for MDC. Those associated with the commercial programs will be transferred to the new company. People in central support and services roles will be divided according to the needs of the two companies. The division should be complete by the first of the year.

17. Q: How many will be transferred?

A: Our best estimate is about <u>36 thousand</u>. I don't have a precise figure for you at this time. As we near the first of the year, we will have a clearer picture.

18. Q: For those being transferred, what will happen to their pay and benefits?

A: There will be no change. Pay and benefits will be the same.

19 Q: Will the new company honor the current union contracts?

A: Yes, all existing contracts will be honored?

20. Q: At the end of the existing contracts, will the new company set new wage and benefits packages?

A: It is our intention that the new company will offer pay and benefit packages which attract and retain motivated people.

21. Q: Will people have a choice between which company they work for --MDC military transport or the new commercial company?

A: Essentially no, but that would not prevent people in one company from later on applying for a job in the other.

22. Q: What will be the effect of this split on the C-17 program?

A: There will be no change. One side benefit will be a less complicated billing and accounting system. One clear benefit is that this venture will allow us to pay down a significant portion of our debt, thereby strengthing our entire corporation.

23 Q: Does this spell the end for Long Beach?

A: Not at all. Long Beach will be the headquarters for this new company. Long Beach will provide overall program direction, design leadership, systems integration, and will continue to be the center for marketing and product support. The C-17 program will continue to be built at Long Beach, as will the MD-80, the MD-90, and the MD-11. MDC never planned to build the MD-12 at Long Beach. Without a risk sharing partner taking an equity stake in the commercial airliner, the MD-12 would never be built. Without the MD-12, widebody commercial work at Douglas would decline in any event.

24. Q: What manufacturing and subassembly work will be done in Taiwan? A: The details have to be worked out, but planning indicates that the Wing and Fuselage sections can be built in Taiwan and then shipped to the United States for final assembly.

25.Q: If the wing is built in Taiwan, are you abandoning your Canadian wing facility?

A: No, they already have a full production line with the MD-80/90 and MD-11 wing. What future work they get is yet to be determined.

26. Q: How does this announcement impact on your plans to build a new final assembly facility somewhere in the United States?

A: This announcement is in keeping with our planning and strategy. In fact, this agreement, once finalized will make building that new U.S. facility a reality. We plan to announce the new site sometime after the first of the year.

27.Q: How will the company be administered? Who will be in charge?

A: MDC will retain majority interest in the new company and will appoint the CEO. There will be two primary operations, one in the U.S. and one in Asia.. A joint board of directors will be chosen, with proportional representation. Other details will be announced as the agreement is finalized.

28.Q: How soon can this new venture build the MD-12?

A: Plans call for initial production to being during 1992, with a goal of achieving a first flight by 1995 and FAA certification by December 1996. Deliveries will take place in early 1997.

29. Q: Won't the MD-12 kill the market for the MD-11? How can you make a decision to build the MD-12 when the MD-11 has not been profitable?

A: The MD-11 has a market segment of its own that is complementary to the MD-12. The interest in the MD-12 as a head-to-head competitor of the Boeing 747 will help increase orders for the MD-11. In general, airlines like to have the ability to cross-train flight crews, stockpile parts and simplify maintenance. Marketing a family of airplanes makes sense.

- MDC believes that the MD-12 will be a very competitive product in the fastest growing market for commercial transport aircraft. Currently there is only one other product in that market segment (The Boeing 747-400), and the MD-12 will have significant advantage over that aircraft. The MD-12 will also have a considerable lead time advantage over any new products that could potentially be introduced into that market segment.

- The business plan for the MD-12 has assumed a conservative market capture of about 20%, assuming head-to-head competition with the established Boeing 747-400. This will result in over 300 MD-12s being delivered by the year 2005, with total program deliveries expected to exceed 700 by the year 2010. In terms of dollar value, the 300 MD-12s anticipated by the year 2005 will generate approximately \$60 billion in revenue (then year dollars).

30. Q: Couldn't MDC finance the new MD-12 on its own -- and then you would maintain 100% interest?

A: It is doubtful that MDC could raise the entire \$4-5 billion needed to finance the MD-12 in a reasonable amount of time. Timing is very important in the airline market.

31. Q: Does this sale require Congressional approval?

A: No

32. Q: Won't the MD-12 that this new venture proposes to build erode your own MD-11 market? A: On the contrary, we think that the MD-12 will have a positive effect. Interest in the MD-12 can spur additional sales of the MD-11. In general, airlines like consistency of aircraft and continuity from one plane to the next generation, because of the streamlined maintenance and standardization. The MD-12 is a logical extension of the McDonnell Douglas family of aircraft.

33. Q: What will this new company be called? Have you decided on a name?

A: That will be decided once the new company is formed. Right now, the name is not important

BRIEFING BOOK TEAMMATE QUESTIONS

Job Security Questions

Q: Will this result in more layoffs?

A: The decision to take-on a risk sharing partner, in itself, will not mean more layoffs. Without the financial means to develop the MD-12, DAC employment levels will continue to drop as orders for MD-80s and MD-11s fall off. We will also have to continue to make adjustments in employment as rates for the C-17 change. With the MD-12 a reality, some MD-12 work will be done at Long Beach, and additional work will be needed to bring both the overseas and additional U.S. site up to a level where they can sustain production.

2. Q: Aren't you giving American jobs away to foreigners?

A: No, to the contrary, by forming this new company we will be able to go after additional market segments where we have heretofore not had a product. This decision will actually allow us to expand our commercial lines of business. There can be an overall net increase in MDC commercial airliner jobs.

Q: Are we doing this to avoid bankruptcy?

A: We are in no danger of going bankrupt. Our improved performance over the last three quarters proves that we are putting our financial problems behind us. We are taking this bold step to insure that we will have a future as a commercial airplane builder.

WAGES AND BENEFITS

4. Q: If this is a new company, will I have the same benefits?

A: The intent is for wages and benefits for those employed by the new company to remain essentially the same. We will continue to honor all existing union contracts.

5. Q: Will my senority continue?

A: Senority will continue according to the applicable provision of current contracts.

6. Q: Will the new owners set wage and benefits packages?

A. MDC will be the majority owner of the new company. MDC does not intend to establish distinct wage and benefit packages. We will continue to offer pay and benefits packages which attract and retain motivated employees and enable us to compete effectively in our markets.

7. Q: What will happen to my medical/dental coverage?

A: Your medical and dental coverage will continue to replicate that provided by MDC.

8. Q: What happens to my retirement benefits? Will my service be continued from the old to the new company?

A: You will receive a retirement benefit from both companies. Generally, the combined benefit will be the same as if you had continued to work for MDC, and service time used to calculate various benefits will be continuous.

 Q: Will there be any golden parachutes, handshakes, early retirement packages, etc. A: No.

COMMERCIAL vs. MILITARY SPLIT

10, Q: Will I have a choice where I work? Are my career opportunities limited? If I work on the government program can I transfer to the commercial company? Will I have to be hired by the new company like a new hire from the street?

A: In our DAC Administrative Bulletin of November 4, 1991, we said that most teammates in the aircraft programs will experience no change in their organizations, reporting relationships or job assignments. People who work in HR&C, QP&NBD, Business Operations, PCO and Supplier Management will be assigned to one or the other companies. Generally, there will be no choice. Those assigned to commercial programs will automatically become employees of the new company.

11. Q: Will the C-17 program move to St. Louis?

A: No, the C-17 program will remain in Long Beach. This will not preclude other MDC components from bidding on C-17 manufacturing and sub assembly work. They must be able to prove that they can do the work more economically while insuring high quality.

12. Q: Who will head the various companies?

A: Those are decisions that will be reached at a later date.

13. Q: Where will the new company's headquarters be?

A: The new company will be headquarted in Long Beach. The Long Beach site will be responsible for overall program direction, design

leadership, systems integration, and will continue to be the center for marketing and product support.

14. Q: How will the new company merge different management styles and philosphies? For examples, what happens if their Asian management styles clash with ours?

A: We are not inventing the concept of international alliances and working relationships. As most of you are aware, the foreign content in our existing commercial aircraft is already considerable. We get parts and assemblies from suppliers all over the world without a problem. MDC will retain majority ownership of the new company and will therefore have a majority voice in all major decisions.

15 Q: Are you taking this action to eliminate the unions?

A: No, we are taking this action to become truly competitive in the commercial aircraft market. By producing this highest quality aircraft at the lowest cost, we will have a bright future in commercial aviation. We will be able to do that with sound financial backing, the most modern facilities in the industry and a highly motivated team of people.

16. Q: Will I have to assist in training Asian workers who will end up taking my job?

A: As we have seen with our experiences with the Peoples Republic of China facility in Shanghai, helping to train key people from other countries pays off in additional MD-80 work coming into the United States. In the case of the MD-12, any people who receive training here in the U.S. will be helping MDC build a world class airliner for a growing market segment. Together we will be able to produce the highest quality airliners at the lowest prices.

17. Q: Couldn't we find a U.S. partner? -- like Rockwell or Lockheed?

A: No we could not. None of the U.S. manufacturers were willing to become equity partners in our entire commercial aircraft business. In addition, no U.S. partner could give us access to the Pacific/Asia region, the fastest growing segment of the international airline market. By our own estimates, within 15-18 years, commercial airline traffic in the Pacific/Asian can equal that of the United States.

Commercial Airliner Technology is International

The Memorandum of Understanding signed by McDonnell Douglas and the Taiwan Aerospace Corporation can lead to a dynamic new era for the United States' oldest commercial airliner builder. Rather than losing 40% of an icon of American aerospace, McDonnell Douglas will be gaining majority ownership in the newest and potentially the most promising aerospace company in the world. Unencumbered by debt and outdated facilities, the McDonnell Douglas/Taiwan Aerospace alliance will be able to produce the lowest cost, highest quality airliners in the world. For the first time in several decades, an American aerospace company will be able to begin development of a new airliner virtually debt-free. Moreover, the manufacturing and final assembly of the new plane will take place in newly built facilities optimized for commercial airliner construction. No other aerospace company or consortium in the world will have those advantages.

Technology Transfer

Commercial aerospace technology has never been a unique American institution. Foreign governments and enterprises realized the advantages of air travel before the Americans, but it was Donald Douglas, with private capital, who developed the first series of commercially viable - passenger friendly - airliners. World War II pressed Douglas' DC-3 into military service as the C-47. The more than 10,000 military transports which were nothing more than a stripped-out version of the airliner, coupled with the four-engined DC-4, helped win the war but were almost the undoing of the commercial airliner industry. The end of the war left American factories intact but it also left a glut of transport aircraft and parts that would keep airlines around the world supplied for years.

As Douglas and other aviation companies struggled for private capital to fund aircraft like the DC-6, the first airliner with a pressurized cabin, the Europeans were beginning anew. It was the British who developed the jet engine and produced the first jet-powered airliner, which entered service in 1952, six years before America's first jetliner, the Boeing 707. France followed quickly with the jet-powered Caravelle series of airliners in 1959. Later, the British and French would team to build and put into commercial service (1976) the world's first supersonic transport, the Concorde.

The growth of America's commercial aircraft industry did not come from superior technology or taxpayer funded development, it came because America's airlines like TWA, PanAm, Eastern, Delta and American took risks to build domestic and world-wide routes and increase customer acceptance of flying as the preferred means of travel. Satisfying those risks demanded the development of long range aircraft. The land-mass size of the United States, and American business investing in overseas markets

had more to do with the growth of the aircraft manufacturing industry than technology. Without customers, there can be no industry.

Today, America still designs and assembles the majority of the world's airliners, but does not have an exclusive lock on large-airframe technology. The European consortium, Airbus (France, Germany, Britain, Spain), formed in 1970, builds some of the market's most technologically advanced airliners. With the help of generous government subsidies, they have captured more than 20% of the airliner market. On a smaller scale, but none-the-less impressive are the growing commercial aircraft industries in Brazil, Netherlands, Romania, Sweden, Israel, and the Soviet Union. (See accompanying list) The Russian airline AEROFLOT is the world's largest airline flying all indigenous aircraft.

The internationalization of the biggest aerospace companies began years ago as builders sought sources for parts and subassemblies and markets for finished products. McDonnell Douglas began building commercial aircraft wings in Canada in 1964. Today, 16% of he MD-80 and 20% of he MD-11 are produced by foreign entities. The offshore content of Boeing airliners are similar, but the proportion will rise dramatically as Boeing offers 777 technology to Japanese subcontractors.

What Technologies Are Important?

McDonnell Douglas' military transport technologies are not part of this agreement. The corporation has already begun to make a clean separation of its military and commercial businesses. It would not be in McDonnell Douglas' interest to share its military technologies with either a foreign or a U.S. competitor.

By maintaining majority ownership of this new international company, McDonnell Douglas interests will maintain control over design and systems integration, final assembly and flight test. Taiwan's strengths will come from the capitalization of basic manufacturing, fabrication and subassembly which in itself does not position them to singly build a finished product that would compete in the airliner market. Given that most industrialized nations in the world are already accomplishing the type of work that Taiwan will undertake, there is no technology transfer. Both parties benefit from McDonnell Douglas' established marketing and product support network.

Future Competition

Once a final agreement for this alliance is reached, Taiwan is unlikely to ever become a competitor. As a partial owner of this new company, their viability will lie in making the enterprise successful. There would be very little motivation for them to build a parallel competing industry that would hurt their own market share. With or without U.S. assistance, wealthy industrialized nations will attempt to develop their own aerospace

industries. If a foreign entity builds one on their own, the U.S. has absolutely no control over the technology developed and could end up fighting off a competitor. By building a strong and dynamic aerospace alliance, McDonnell Douglas may be in a position to prevent other countries from entering the market.

Real National Security

McDonnell Douglas will end up with a 100% owned government business and a 60% owned commercial transport company. The gained financial resources give the corporation additional strength to pursue future world wide military business. U.S. industrial capacity is preserved and strengthened.

Jobs

One last thought on jobs. Without the capability to introduce new aircraft, like the MD-12, McDonnell Douglas is locked into two narrow market segments. Both of those markets have been eroded by direct foreign competition from Europe. If markets continue to erode, McDonnell Douglas' commercial aircraft business will cease to grow and jobs will be lost. By becoming a challenger in the most lucrative market segments, the U.S. segment of McDonnell Douglas' work force can look forward to stability and growth.

FOREIGN COMMERCIAL AIRCRAFT IN PRODUCTION

BRITISH AEROSPACE (UK)

BAE 146

JET

128 passenger

BAE 748

TURBO PROP

64 passenger

BAE 31

TURBO PROP

19 passenger

EMBRAER (BRAZIL)

EMB 120

TURBO PROP

30 passenger

AIRBUS (EUROPE)

A300 A310 JET JET 267 passenger

A310 A320

JET

218 passenger 179 passenger

A340

JET

335 passenger

ATR (INTERNATIONAL)

ATR 42

TURBO PROP

42 passenger

FOKKER (NETHERLANDS)

FOKKER 50 FOKKER 100

TURBO PROP

50 passenger 107 passenger

BUCURESTI (ROMANIA)

ROMBAC 1-11

JET

JET

84 passenger

(based on BAE 1-11)

CASA (SPAIN)-

AVIOCAR

PROP

25 passenger

SAAB (SWEDEN)

SAAB 340A

PROP

35 passenger

AIRTECH (INTERNATIONAL)

CN-235

PROP

35 passenger

RUSSIA:

ILYUSHIN

IL II 62M IL II 86 JET JET 186 passenger 350 passenger

 ${
m IL}~{
m II}~96$

JET

300 passenger

TUPOLEU

TU 154 TU 204 JET JET

180 passenger 202 passenger

YAKOULEV

YAK 42

JET

120 passenger

SHORTS (UK)

330

TURBO PROP

30 passenger

IAI (ISRAEL)

ASTRA

JET

6 passenger

DASSAULT-BREGUET (FRANCE)

MYSTERE (FALCON) JET

20 passenger

DORNIER (GERMANY)

328 TURBO PROP

30 passenger

CANADAIR (CANADA)

601

JET

50 passenger

BOEING CANADA

DHC DASH-8

PROP

50 passenger

There is a world of difference between the \$25 billion in direct government subsidies that Airbus member companies have received and the contemplated Taiwan equity investment of up to \$2 billion in MDC's commercial aircraft business.

- o If one or more European governments had simply bought equity investments in Airbus at prices that reflected the market value of the shares being acquired, there would be no trans-Atlantic dispute over the subsidization of Airbus. Instead, what we have in the case of Airbus is massive and continuing government support in the form of (a) noncommercial investment in government-owned companies, (b) direct grants, (c) loans and loan guarantees on noncommercial terms, (d) loan forgiveness, and (e) foreign exchange rate guarantees.
- The Taiwan government and potential Taiwan investors will carefully review financial, product development, marketing, and other information related to MDC's commercial transport business, and any investment that may result will reflect a thorough assessment of the market value of the shares to be received.
- Unlike Airbus, the new company that MDC is contemplating will be a commercial venture. Ιt will be expected (and required) to maintain existing commercial aircraft programs and to launch any new programs without government handouts. MDC and the potential Taiwan investors expect the new company to generate revenues that exceed costs, and to compete successfully in the international marketplace through innovative technology, low-cost production, and strong marketing skills -- not through sustained feeding at the government trough. Airbus has been gorging itself at that trough for over 20 years, and still shows no willingness to face the rigors of international competition without massive government aid.

The contemplated venture will not undercut US trade policy or the strong GATT cases against Airbus. Indeed, the massive European subsidization of Airbus remains every bit as much a threat to legitimate international competition, to the US trade balance, and to US rights under the GATT.

- As explained above, there is a world of difference between the massive government assistance accorded to Airbus and the contemplated Taiwan equity investment in MDC's commercial aircraft business.
- o The GATT cases constitute US claims against the EC and the Airbus member governments. There is nothing whatsoever in the contemplated transaction that undercuts the US right to be free of, or to be compensated for, massive European subsidies that are inconsistent with GATT obligations.
- Airbus has clearly expressed its goal of obtaining increased market share at any price -- a goal made possible only by the benefits of massive government assistance. Since large commercial aircraft is one of the few areas that continues to make a major positive contribution to the US trade balance, the threat to US economic strength is clear. Nothing in the contemplated venture will reduce the threat posed by Airbus, or MDC's support for strong US action to address that threat.
- MDC hopes and expects that the US government will maintain its policy of aggressively pursuing available avenues for confronting the massive subsidization of Airbus, including the ongoing GATT cases against the EC.

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
05b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan domestic scene (3 pp.)	10/15/9	1 P-1, F-1, P-5	S
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	dential Records		,	
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FILE LOCATIO		0.000		
Taiwan-U.	S. 1991 [1]	OA/ID No Date Clos	mber CF01511 ed 08/08/2002	,

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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- C. Closed in accordance with restrictions contained in donor's deed of gift.
- PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA]
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- F-4 Release would disclose trade secrets or confidential or financial information |(b)(4) of the FOIA|
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- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- F-8 Release would disclose information concerning the regulation of
- financial institutions |(b)(8) of the FOIA| F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
06b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan developments (3 pp.)	10/28/91	P-1, F-1, P-5	S
COLLECTION Bush Presi	dential Records			
	ecurity Council		,	
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RESTRICTION CODES

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Date Closed

08/08/2002

F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
07b. Cable	From Secretary of State to AIT, Taipei RE: Taiwan developments (3 pp.)	10/27/91	P-1, F-1, P-5	S
	dential Records ecurity Council Files			
FILE LOCATIO Taiwan-U.	N S. 1991 [1]	OA/ID Num	ber CF01511 08/08/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan political situation [SENT FOR AGENCY REFERRAL] (5 pp.)	10/23/91	P-1, F-1	С
	dential Records ecurity Council Files		v	
FILE LOCATIO		OA/ID Num Date Closed	ber CF01511 08/08/2002	1

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOLA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
09b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: Taiwan political situation (4 pp.)	10/23/91	P-1, F-1, P-5	S
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	dential Records ecurity Council Files		,	
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08/08/2002

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F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
10b. Cable	From Secretary of State to AIT, Taipei RE: Chinese military (3 pp.)	10/21/91	P-1, F-1, P-5	S
	idential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S. 1991 [1]	OA/ID Num	ber CF01511 08/08/2002	7,

RESTRICTION CODES

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Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
11b. Cable	From Secretary of State to AIT, Taipei RE: Taiwan current domestic scene (2 pp.)	10/22/91	P-1, F-1, P-5	S
	dential Records ecurity Council Files		,	
FILE LOCATIO Taiwan-U.	N S. 1991 [1]	OA/ID Num Date Closed	ber CF01511 08/08/2002	

RESTRICTION CODES

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Withdrawal/Redaction Sheet (George Bush Library)

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White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1991 [2]

State Department Taiwan Guidance

Letter from POTUS to Caspar Weinberger, Re: Taiwan

Taiwan newspaper request for presidential message

Commercial Unit of AIT, Summary of Major Projects - 5 October 1990 (Large File)

The Six-Year National Development Plan for Taiwan, ROC (1991-1996)

The Six-Year National Development Plan for Taiwan, ROC (1991-1996) - Macroeconomic Targets

Foreign Economic Trends for Taiwan - January 1991

Re: Taipei American Chamber of Commerce letter to POTUS

Re: Taiwan President Lee Teng-hui

9117126

United States Department of State



Washington, D.C. 20520

September 25, 1991

MEMORANDUM TO ALL DEPARTMENT AND AGENCY EXECUTIVE SECRETARIES

Subject: Taiwan Guidelines

This memorandum reviews the existing guidelines for the conduct of our unofficial relations with the people on Taiwan. Please ensure that they receive broad circulation within your Department or Agency.

In establishing diplomatic relations with the People's Republic of China (PRC), the U.S. Government recognized the PRC Government as the sole legal government of China. Both sides agreed that, within this context, the people of the United States would maintain cultural, commercial and other unofficial relations with the people on Taiwan. The President has reaffirmed this policy.

The Taiwan Relations Act (TRA) (Public Law 96-8 of April 10, 1979) provides the legal framework for the conduct of these unofficial relations. In the absence of diplomatic ties, the TRA stipulates that programs, transactions, and other relations conducted or carried out by the President or any agency of the U.S. Government with respect to Taiwan shall be conducted and carried out by or through the American Institute in Taiwan (AIT). AIT, a nonprofit corporation headquartered in Rosslyn, Virginia, with offices in Taipei and Kaohsiung on Taiwan, is under contract to the Department of State to perform these functions.

Taiwan has established a counterpart organization to AIT called the Coordination Council for North American Affairs (CCNAA). CCNAA has its U.S. headquarters in Washington, D.C., and other offices in major cities around the United States The unofficial relations between the people of the United States and the people on Taiwan are carried out through these two private organizations.

This framework has proven effective; trade and other unofficial relations with Taiwan have expanded dramatically since 1979.

Guidelines for specific areas of the conduct of unofficial relations with Taiwan are as follows:

- Terminology: Consistent with the unofficial nature of U.S.-Taiwan ties, the U.S. Government no longer refers to Taiwan as the "Republic of China" -- a term reflecting Taipei's continuing claim to be the government of China. Nor does the U.S. Government refer to Taiwan as a "country" or a "government." We refer to Taiwan simply as Taiwan, and to its leadership as "the Taiwan authorities."
- Correspondence: Executive Branch departments and agencies should not correspond directly with their counterparts on Taiwan or with CCNAA. All such correspondence must take place through, and under the auspices of, AIT. This usually takes the form of a letter from AIT Washington or AIT Taipei, incorporating the view of the concerned U.S. department or agency, to CCNAA in Washington or Taipei.
- Unofficial Meetings and Contacts: Guidelines concerning unofficial meetings and contacts between Executive Branch personnel and CCNAA, or visitors from Taiwan, are complex. In general, these should take place at AIT or in other non-official settings -- not in Executive Branch offices. Questions should be directed to the Taiwan Coordination Staff (EAP/RA/TC) at the Department of State (telephone 202-647-7711).
- Twin Oaks: Executive Branch personnel may not attend functions at Twin Oaks, the former residence of the "Republic of China" Ambassador. They may, however, accept invitations to social functions held at homes of CCNAA personnel.
- "Double Ten" Celebrations: The Taiwan authorities celebrate
 October 10 as the anniversary of the founding of the
 "Republic of China." In general, officials at all levels
 of the foreign affairs agencies (State, NSC/White House,
 Defense, and CIA), as well as officials above the rank of
 GS-14 from any other part of the Executive Branch, may not
 attend the formal CCNAA reception held on that day.
 Questions regarding attendance by Executive Branch
 personnel at receptions hosted by CCNAA in honor of this
 event on other days should be directed to the Taiwan
 Coordination Staff.
- Travel: Executive Branch personnel who contemplate travel to Taiwan for work-related reasons (regardless of leave status) must have prior concurrence from the Taiwan Coordination Staff (fax 202-647-6820 from October 1, 1991, until then at 202-647-7350). Such personnel travel to Taiwan as consultants to AIT. Senior Executive Branch officials at or above the level of assistant secretary, embassy counselor or consul general, and three star flag officer must obtain clearance from the State Department for personal travel as well. All travel must be on a regular (tourist) passport.

Gifts: U.S. law and government guidelines on gifts from foreign sources, including travel expenses, apply to Executive Branch personnel in their relations with Taiwan and CCNAA. Questions should be directed to the concerned recipient's department or agency ethics office.

Questions on policy matters related to these guidelines should be directed to the Taiwan Coordination Staff of the Department of State.

Questions on the actual conduct or procedural implementation of our unofficial relations should be directed to AIT (telephone 703-525-8474).

W. Røbert Pertson Executive Secretary

September 17, 1991

Dear Cap:

Congratulations on the occasion of the 15th annual Joint Business Conference of your Council and its counterpart on Taiwan. Your two Councils have made a tremendous contribution to the development of ever-closer economic ties between the United States and Taiwan, and these achievements are well recognized.

We Americans are deeply impressed by Taiwan's success in providing prosperity for its people. The fact that Taiwan is our sixth largest trading partner and the world's 12th largest trader underscores the energy, skill, and determination of her people, as do its substantial foreign exchange reserves.

We Americans are also impressed by the steps that Taiwan has taken during the past five years toward a more democratic and open society. We welcome the very ambitious plans now under way to advance this process over the next two years and beyond.

Moreover, we appreciate the steps that have been taken under Taiwan's Trade Action Plan to reduce by half, over the past four years, its trade surplus with the United States. During this same period, Taiwan has lowered its tariffs and improved its protection of intellectual property rights. We thank the leaders and the people of Taiwan for these positive steps and look forward to continuing cooperation in these areas. We remain committed to working with your two Councils and with Taiwan to maintain the record of good progress in our trade relationship that we all have worked so hard to achieve.

Now Taiwan is embarked on a most ambitious Six-Year Development Plan designed to almost double per capita income by 1996; to improve the quality of life; and to modernize Taiwan's infrastructure and launch it into the 21st century as a new regional business, financial and transportation center in Asia. We Americans admire the vision and the energy behind this plan. We want to help, and I want you to know that I support whole-heartedly United States companies' desire to participate in the projects that are involved in Taiwan's Six-Year Development Plan.

Looking to the future, I hope to see Taiwan's financial and telecommunications sectors open to a freer flow of investment and services. I also look for further steps to improve Taiwan's enforcement capabilities in the protection of intellectual property rights. Such steps will be important to Taiwan's continuing contributions to the international trading system.

Please convey my appreciation, as well as my best wishes for a successful and productive conference, to the members of both Councils.

Sincerely,

The Honorable Caspar W. Weinberger USA-ROC Economic Council 1737 H Street, N.W. Washington, D.C. 20006

Lawan - u.S.

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

September 10, 1991

ACTION

MEMORANDUM FOR WILLIAM F. SITTMANN

THROUGH:

DOUGLAS PAAL

FROM:

JAMES KEITH ((

SUBJECT:

Taiwan Newspaper Request

Taiwan's United Daily News has requested a Presidential message of congratulations on the occasion of its 40th anniversary. Similar messages have been sent to Taiwan newspapers in the past. We pose no objection to a positive response to the United Daily News.

Concurrence by:

Roman Popadiuk ${\cal N}$

RECOMMENDATION

That you forward the attached memorandum and draft response to Deb Amend.

Attachments

Tab I Sittmann/Amend Memo

Tab A Draft Response

Tab B Incoming Request from Steve M. Jeong

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20508

MEMORANDUM FOR DEBORAH AMEND

FROM:

WILLIAM F. SITTMANN

SUBJECT:

United Daily News Request

Attached is a draft response prepared by the Asian Directorate to Steve M. Jeong's request for a congratulatory message from the President to the United Daily News on the occasion of its 40th anniversary.

Attachments

Tab A Draft Response Tab B Incoming Letter Incoming Letter from Steve M. Jeong

cc: Paul McNeill

Draft Response to UDN

I was delighted to learn that this year marks the 40th anniversary of <u>United Daily News</u>, and I am pleased to congratulate all who celebrate this milestone of public service.

Your newspaper has played a vital role in keeping the people of Taiwan informed of key events in Taiwan and throughout the world. We look to our newspapers to fulfill a responsibility to inform the communities they serve and to help place the rapid change in all parts of the globe in meaningful context. For four decades, United Daily News has been a source of information and thought-provoking news to Chinese people the world over. I can well appreciate how much your publication has achieved over the years.

Barbara and I send best wishes to the dedicated staff and management of <u>United Daily News</u> and to your loyal readers around the globe. May you continue to celebrate such felicitous occasions.

Des amend

兼各薄

地種記

官梳計

張文衛會計實業燕梳公司

STEVE M. JEONG REALTY

ACCOUNTING - REAL ESTATE - INSURANCE - NOTARY PUBLIC

PHONE 391-1127 391-1128

代買買

理賣賣

收生樓

租意業

August 12, 1991

Re: Sept 16

The President The White House Washington, DC 20500

Dear Mr. President:

You may recall that I arranged an interview with you at the White House for correspondents of *United Daily News* (see enclosed photograph), which is the largest Chinese newspaper for Chinese communities. *United Daily News* and its subsidiaries are strong supporters of the Reagan-Bush and Bush-Quayle Administrations, and they support most Republican candidates as well.

United Daily News will be celebrating its Fortieth Anniversary on September 16, 1991, and I would appreciate very much if you would send a congratulatory message (such as that which you sent to Sing Tao Newspaper on July 10, 1991—see enclosure) to its headquarters at

United Daily News 231 Adrian Road Millbrae, CA 94030

Alternatively, you may send it c/o STEVE M. JEONG REALTY.

Thank you for your kindness. I wish you continued success for Bush Administration policies!

Sincerely,

Steve M. Jeopp

Enclosures

'We have moved to: 638 Kearny Street #305, San Francisco 94108-1850



Summary of Major Projects October 5 1990

MAJOR PROJECTS - STATUS REPORT

SUMMARY OF MAJOR PROJECTS

AVIATION PROJECTS

AIR ASIA'S BOEING 747 REPAIR FACILITY (Page 5)

AVIATION TRAFFIC CONTROL PROJECT (Page 6)

CHIANG KAI-SHEK INTERNATIONAL AIRPORT; SECOND PHASE EXPANSION PROJECT (Page 7)

KAOHSIUNG INTERNATIONAL AIRPORT; SECOND PHASE EXPANSION PROJECT (Page 9)

TAIWAN'S AIRPORT EXPANSIONS FOR ORCHID ISLAND, GREEN ISLAND, HENGCHUN, KINMEN AND THE PESCADORES (Page 10)

II. COMPUTERIZATION PROJECTS

NATIONAL POLICE TELECOMMUNICATION SYSTEM UPGRADE (Page 14)

POLICE COMMAND, CONTROL, COMMUNICATION & INFORMATION SYSTEM (3C&I) (Page 14)

TAIWAN RESIDENTIAL INFORMATION SYSTEM (TRIS) (Page 17)

III. CONSTRUCTION PROJECTS

CONSTRUCTION PROJECTS IN KACHSTUNG (Page 20)

ROYAL COUNTRY CLUB IN MIAOLI (Page 22)

IV. PETROLEUM & PETROCHEMICAL PROJECTS

CHINESE PETROLEUM CORPORATION PROJECTS (Page 24)

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REPORT ON MAJOR PROJECTS

Implementation of Taiwan's major projects is handled by the Executive Yuan and the Control Yuan. Procurement procedures for the state-run enterprises and the state-owned hospitals or military hospitals are normally processed through the Central Trust of China (CTC). All equipment and supplies purchases above NT\$7.5 million (US\$289,000) for the agencies of the central authorities, and NT\$15 million (US\$580,000) for a government owned enterprise, must be purchased through the CTC tender system.

- -- Purchases by state-run enterprises or agencies which fall below the above prescribed amounts may be handled directly by the end user.
- In some cases the central authorities grant special permission to certain end-users to handle overseas procurement by themselves or through a foreign consulting firm. Crude oil, complete refining units and petroleum cracking units of the Chinese Petroleum Corporation, mass rapid transit systems of the Taipei Municipal authorities, and nuclear power plants and the Taichung thermal power plant of the Taiwan Power Company fall under this exception.
- -- China Steel Corporation and China Shipbuilding Corporation are also permitted to handle their own overseas procurement.

More detailed information can be found in a booklet entitled "ROC Government's Procurement Procedure" issued by the Taiwan Board of Foreign Trade.

AVIATION PROJECTS

AIR ASIA'S BOEING 747 REPAIR FACILITY

Estimated Total Cost:

US\$24 million (Repair Facility)

Projected Construction

Time:

Phase I: 1988 - 1990

Phase II: 1992 - 1996

Phase III: 1997 - 2000

Source of Finance:

Air Asia Company

Current Developments:

Air Asia plans to begin constructing a Boeing 747 Repair Facility in southern Taiwan before the end of 1990. U.S. trade opportunities exist for 747 test equipment, avionics repair equipment, hoists cranes, tow trucks, ground power units and other aircraft maintenance and repair equipment.

Air Asia received initial approval from the Chinese military authorities to build a Boeing 747 repair hangar, but was requested to submit a detailed design for a final approval. Air Asia has already requested several U.S. and foreign firms to submit the repair hangar proposals. Air Asia is reviewing the proposals. Air Asia will begin construction of its 747 repair facility by the end of 1990 beside the Tainan Airfield 11,000-feet runway pending final approval from the Chinese military authorities.

Air Asia will issue requests for quotations for a variety of equipment for a Boeing 747 repair hangar as soon as a final approval is granted by the Chinese military authorities. Several foreign firms have already contacted Air Asia. Air Asia will hire Taiwan construction firms to build two new large aircraft repair hangars in Tainan.

Background Information:

Air Asia has outlined plans for reorganization and expansion over the next twelve years. In addition to rebuilding its historical base in aircraft maintenance, overhaul, and refitting, Air Asia plans to form an international passenger airline and eventually become a high-tech manufacturer of aircraft parts.

In its second four-year phase of business expansion, roughly 1992 to 1996, Air Asia hopes to establish an international passenger airline.

Contacts:

C. K. Kuo, President, or Berlin Au, General Manager, Air Asia Company, Ltd., Tainan, Taiwan 70205; Phone: 886-6-267-5071; Telex: 71192 AIRASIA; FAX: 886-6-267-3424

AVIATION TRAFFIC CONTROL PROJECT

Estimated Total Cost:

NT\$4.417 billion

(US\$164 million)

Projected Construction Time: July 1989 - June 1993

Source of Finance:

Civil Aeronautic Administration

Ministry of Communications

Current Developments:

The Civil Aeronautic Administration (CAA) of the Ministry of Communications extended the Aviation Traffic Control Project (July 1979-June 1989) for an additional four years. This extended project is scheduled to be completed by June 30, 1993. This project covers the original planning of an Air Traffic Control Automation System, and an Automatic Message Switch Information System. Approximately NT\$960 million (US\$35.6 million) will be expended from the original budget of US\$133 to upgrade air communications, monitoring and warning systems, and other related equipment.

Bidding for the US\$50 million Air Traffic Control Automation System was opened on April 30, 1990, by the Central Trust of China. IBM (U.S.), Signaal (Holland), and Thomson (France) participated in the bidding. IBM was given the first right of negotiation, but a final decision has not been made. Sodeteg (France) won the US\$2.47 million Automatic Message Switch Information System contract on March 31, 1990. A US\$4.8 million terminal radar unit was awarded to Thomson (France) in March 1988. CAA is procuring two terminal radar units with an option to procure one additional unit. The Central Trust of China (CTC) recently cancelled the bid twice for these US\$120 million radar units because only two firms, Westinghouse (U.S.) and Selenia (Italy) participated in the bidding. CTC will re-open price bidding as soon as the Ministry of Audit approves this purchase with only two firms participating the bidding. CAA plans to purchase an additional two radar units in approximately two years.

Background Information:

In 1979, CAA commenced the initial Ten-Year Aviation Traffic Control Project planning with assistance provided by Mitre Corporation (U.S.). The Executive Yuan approved the project in 1980 and project construction began in July 1981. The project was scheduled to be completed in June 1989, but the contract was withdrawn when the contractor was unable to complete the contracted works of the Air Traffic Control Automation, and the Automatic Message Switch Information System according to the time schedule.

Contacts:

Carl C. K. Lee, Director, Air Traffic Services Division, Civil Aeronautic Administration (CAA), Ministry of Communications, CAA Building, Sungshan Airport, Taipei, Taiwan; Phone: (02)712-4154

CHIANG KAI-SHEK INTERNATIONAL AIRPORT; SECOND PHASE EXPANSION PROJECT

Estimated Total Cost:

NT\$18.62 billion

(US\$690 million)

Projected Construction Time: July 1989 - June 1994

Source of Finance:

Civil Aeronautic Administration

Ministry of Communications

Current Developments:

The Civil Aeronautic Administration (CAA) of the Ministry of Communications (MOC) is planning the Chiang Kai-Shek International Airport Second Phase Expansion Project with a budget of NT\$18.62 billion (US\$690 million). The project will be completed by June 1994. The Executive Yuan approved the project and project planning began in July 1989. With the completion of the project, CKS International Airport will be capable of receiving 20,000,000 airline passengers annually and will be able to handle 1,400,000 MT of cargo yearly by 2010. In addition, the completed facility will handle 29 airplane takeoffs and landings per hour and will serve 3,800 arriving and departing passengers per hour at peak hours by the year 2010.

A U.S. firm, Parsons Overseas Company along with China Engineering Consultant, Inc. (CECI) has completed the feasibility study on CKS Airport expansion plan. CECI and its sub-contractors (Burns & McDonald, Parsons Overseas, and Parson Brinckerhoff) completed the preliminary design in March 1990. A detailed design is being prepared by CECI and the same group of U.S. consultants. The detailed design is expected to be completed in October 1990. Construction will begin in early 1991. Construction tender will be opened only to local firms, but most of the equipment will be imported from abroad.

This airport expansion project will contain the following facilities:

Terminal Building (Space: 138,000 square feet): International Pax Terminal Domestic Pax Terminal Commuter Line Offices Domestic Cargo Terminal International Cargo Terminal

Apron:

International Pax Terminal Apron
Domestic Pax Terminal Apron
Two Commuter Aprons
International Cargo Terminal Apron and Aircraft
Maintenance Area Apron
Long Term Apron
Helipad

Road System and Parking Lot:
Pax Terminal Area Road System
Pax Terminal Parking Lot
Taxi Stand Parking Lot
Parking Lot for 3,000 cars
International Cargo Terminal Parking Lot
International Cargo Terminal Service Road

Support Facilities:
Airport Fuel Pump Station
Air Police Area
Fire and Rescue Station
Airport Operations Center (Control Tower)
Proposed Solid Waste Treatment Plants (Incinerators)
Proposed Wastewater Treatment Plant
Aircraft Maintenance Hangar

Recommend interested U.S. firms send their promotional literature to the following contact persons:

Mr. Chih-tsao Jen, Deputy Director Air Traffic Services Division, Civil Aeronautic Administration (CAA) Ministry of Communications Sungshan Airport, Taipei, Taiwan Phone: (02)712-1212 Ext. 711

Hsu Ping-ping, Project Manager Architectural Department, China Engineering Consultants, Inc. 25/F, 185 Hsin-hai Road, Sec. 2, Taipei, Taiwan 10637

Phone: (02)736-3567 Ext. 2605 FAX: (02) 736-3692

KACHSIUNG INTERNATIONAL AIRPORT; SECOND PHASE EXPANSION PROJECT

Estimated Total Cost: NT\$14.5 billion

(US\$537 million)

Projected Construction Time: July 1989 - June 1995

Source of Finance:

Civil Aeronautic

Administration, Ministry of

Communications

Current Developments:

The Civil Aeronautic Administration (CAA) of the Ministry of Communications (MOC) is planning the Kaohsiung International Airport Second Phase Expansion Project with a budget of NT\$14.5 billion (US\$537 million). The project is expected to be completed by June 1995.

Major project construction will include the following:

Terminal Building (Expected completion: July 1994): International Passenger Terminal Domestic Passenger Terminal Commuter Line Offices Domestic Cargo Terminal International Cargo Terminal

Apron (Expected completion: June 1995): International Passenger Terminal Apron Domestic Passenger Terminal Apron Two Commuter Aprons International Cargo Terminal Apron and Aircraft Maintenance Area Apron Long Term Apron Helipad

Road System and Parking Lot:
Passenger Terminal Area Road System
Passenger Terminal Parking Lot
Taxi Stand Parking Lot (International Pax Terminal, 220 cars & Domestic Pax Terminal, 125 cars)
Parking Lot for 1,300 sedans and 32 trucks
International Cargo Terminal Parking Lot
International Cargo Terminal Service Road

Support Facilities:
Airport Fuel Pump Station
Air Police Area
Fire and Rescue Station
Airport Operations Center (Control Tower)
Proposed Solid Waste Treatment Plants (Incinerators)
Proposed Wastewater Treatment Plant
Aircraft Maintenance Hangar

The China Engineering Consultant, Inc. (CECI) with the assistance of Parsons Overseas Company (U.S.) has completed the feasibility study, the preliminary design, and the detailed design of the Kaohsiung International Airport Second Phase Expansion Project. The detailed design is being reviewed by CAA and MOC. Construction tenders will be open to local firms, but most of the equipment will be imported from abroad. CAA plans to issue public tenders for equipment purchases. Construction is targeted for completion by June 1995.

Recommend interested U.S. firms send their appropriate literature to the following contact persons:

Mr. Chih-tsao Jen, Deputy Director Air Traffic Services Division, Civil Aeronautic Administration (CAA) Ministry of Communications Sungshan Airport, Taipei, Taiwan Phone: (02)712-1212 Ext. 711

Shao Chien-chi, Project Manager Transportation and Civil Department, China Engineering Consultants, Inc. 28/F, 185 Hsin-hai Road, Sec. 2, Taipei, Taiwan 10637 Phone: (02)736-3567 Ext. 2605; FAX: (02)736-3692

TAIWAN'S AIRPORT EXPANSIONS FOR ORCHID ISLAND, GREEN ISLAND, HENGCHUN, KINMEN AND THE PESCADORES

The Civil Aeronautic Administration (CAA) of the Ministry of Communications (MOC) will budget US\$1.1 billion to launch a series of Taiwan airport

expansion projects for off-shore and on-land airports. The US\$1.1 billion airport expansion projects will include airport construction for Orchid Island, Green Island, Hengchun, Kinmen & the Pescadores.

Orchid Island Airport Expansion Project

Estimated Total Cost:

NT\$854 million

Projected Dates:

(US\$31.6 million)

Source of Finance:

July 1990 - October 1993

Civil Aeronautic Administration

Ministry of Communications

The CAA will budget approximately US\$31.6 million for the expansion of the Orchid Island Airport Expansion Project, including foreign equipment purchases of runway end identifying lightings (REIL), non-direction beacons (NDB), precision approach pass indicators (PAPI), automatic meteorological monitoring systems and other related equipment with a budget of US\$93,000. The China Engineering Consultant, Inc. (CECI) is preparing the detailed design on this expansion plan. CECI will be the project general consultant while the BES Engineering Corporation will be responsible for project construction.

Listed below is the present status of the Orchid Island Airport facilities:

Item	Present Status	Expanded Status
Airport Space	5.07 hectares	9.73 hectares
Runway	916 m x 20 m	1400 m x 23.5 m
Apron	2812 square meters Parking space for two BN-2 (10-seater plane) and one DO-228 (20-seater plane)	6880 square meters Parking space for three DO-228 (20-seater plane) or two ATR-42 (40-50 seater plane)
Passenger Terminal	Two story building with 395 square meter building space Control tower is on the 2nd floor.	Four story building with 1824 square meter building space Air-traffic control tower will be on the 3rd and 4th floors.
Parking Lot	600 square meters	1650 square meters
Navigation equipment	VOR/TAC navigation equipment, non-direction beacons (NDB), & VHF telecommunication systems	Runway end identifying lightings (REIL), Precision approach pass indicators (PAPI), & automatic meteorological monitoring systems

Green Island Airport Expansion Project

Estimated Total Cost:

Over NT\$200 million

(US\$7.4 million)

Projected Construction Dates: July 1990 - February 1992

Source of Finance:

Civil Aeronautic Administration

Ministry of Communications

The CAA will spend approximately USD200 million for the expansion of the Green Island Airport Expansion Project, including foreign equipment purchases of runway end identifying lightings (REIL), non-direction beacons (NDB), precision approach pass indicators (PAPI), an automatic meteorological monitoring system and other related equipment with a budget of USD370,000. The China Engineering Consultant, Inc. (CECI) is preparing the detailed design on this expansion plan. CECI will be the project general consultant while the BES Engineering Corporation will be responsible for project construction.

Listed below is the present status of the Green Island Airport facilities:

Item	Present Status	Expanded Status
Airport Space	3.88 hectares	7.45 hectares
Runway	824 m x 15 m	1010 m x 18.5 m
Apron	672 square meters Parking space for Two BN-2 (10-seater plane) and one DO-228 (20-seater plane)	5620 square meters Parking space for Two BN-2 (10-seater plane) and two DO-228 (20-seater plane)
Passenger Terminal	One story building with 75 square meter building space	Preliminary design to be provided by CECI.
Parking Lot	400 square meters	Preliminary design to be provided by CECI.
Navigation equipment	None (having a telecommunication system)	Runway end identifying llightings (REIL), Precision approach pass indicators (PAPI), & automatic meteorological monitoring system

Hengchun Airport Expansion Project

The CAA has requested the China Engineering Consultant, Inc. (CECI) to prepare a feasibility study for the Hengchun Airport Expansion Project. This airport expansion will include a terminal, an apron, a runway, and an air traffic control tower. The budget for this project has not been announced.

Kinmen Airport Expansion Project

The CAA is preparing the detailed design for the Kinmen Airport Expansion Project. Construction for the Kinmen Airport will begin in September and will be completed within three years. According to CAA, an apron, a runway, and a two-story passenger terminal building will be constructed for this project. The apron will have space to park two Boeing 737 aircraft and one A-300 aircraft.

Currently, the Kinmen Airport is a military airport. CAA plans to lengthen the runway and modernize the airport for commercial use.

The Pescadores Airport Expansion Project

The CAA will prepare a preliminary study for the Pescadores Airport Expansion Project. The project construction will be completed within four years. The total budget for this project has not been announced.

Contact persons for the above projects:

Mr. Chen Chia-ju, Director General Civil Aeronautics Administration CAA Building Taipei Sung Shan Airport, Taiwan Phone: 886-2-713-3902 FAX: 886-2-717-5852

Mr. Dah-yung Shieh, Project Manager Traffic and Transportation China Engineering Consultants, Inc. 185 Hsin-hai Road, Section 2 Taipei, Taiwan

Equipment purchases for these airport projects are expected to begin about one year before the completion date of each airport project listed above. Firms in the U.S. aeronautics industry are encouraged to participate in marketing their products for the aforementioned airport expansion projects.

II. COMPUTERIZATION PROJECTS

NATIONAL POLICE TELECOMMUNICATION SYSTEM UPGRADE

Estimated Total Cost:

US\$200 million

Starting Date (Planning): June 1990

Expected Specification

Completion Date:

Early 1991

Expected Project

Completion Date:

1993/1994

Current Developments:

The National Police Telecommunication Bureau plans to up-grade the present National Police Telecommunication System with a total budget of US\$200 million. The National Police Telecommunication Bureau representatives will plan in the near future to visit the United States and European countries to acquaint themselves with state-of-the-art police telecommunication technology. The specifications to upgrade the National Police Telecommunication System are scheduled to be completed in early 1991. The radio portion of the Police Command, Control, Communication & Information System (3C&I) will be combined with this system, according to Premier Hau Pei-tsun's direction.

Firms interested in this project are: GE-Ericsson AB, Motorola-British Telecom, and Mitsubishi.

The contact person is:

Mr. H. T. Chuang Director General National Police Administration 7 Chung-hsiao E. Road, Sec. 1, Taipei, Taiwan Phone: (02) 321-9011

FAX:

886-2-396-9781

POLICE COMMAND, CONTROL, COMMUNICATION & INFORMATION SYSTEM (3C&I)

Estimated Total Cost:

US\$50 million (NT\$1.9 billion)

Starting Date (Planning): June 1986 Expected Completion Date: Delayed Expected Date of Award: Delayed

Current Developments:

There are four firms or consortia interested in this US\$50 million turn-key project: 1) Electrocom Automation, Inc., 2) British Telecom, 3) a consortium formed by Mitsubishi and NEC, and 4) Seel (Singapore). The Central Trust of China (CTC) cancelled the tender on February 15, 1990, because the Taipei

Municipal Police Headquarters (TMPH) had not received full project budget from the Taipei Municipal authorities. CTC returned the bid participants' proposals un-opened.

Currently, the Taipei City authorities requested its Research, Development & Evaluation Commission to review and re-evaluate the system engineering design for this project. Date for completion of the assessment has not been released.

Since the radio portion of the Police Command, Control, Communication & Information System (3C&I) will be combined with the National Police Telecommunication System according to Premier Hau Pei-tsun's direction, the status of the remaining portion of the project is unclear at this time.

Background Information:

The Taipei Municipal Police Headquarters (TMPH) budgeted US\$50 million to modernize and expand their existing command, control, communication and information (3C&I) system. The project's foreign purchases, for both software and hardware, are estimated at US\$50 million. TMPH requires engineering consulting services for the project. TMPH had planned to purchase the system through an international tender.

In June 1986, TMPH invited the Electronic Research and Service Organization (ERSO), a local non-profit organization, to prepare a system engineering design study for this project. The report was completed in November 1986. AIT has been informed that with the support of several Japanese firms, a Japanese Retired Policemen's Association offered TMPH free system engineering design. We understand that Mitsubishi, Matsushita, NEC, Fuji Denki and other Japanese firms jointly completed a preliminary design in the first quarter of 1987.

The 3C&I system originally included major functions as follows:

- a. Establishing a 24-hour/day, 7-day/week reliable computer system to receive and process all incoming 110 (911 in the USA) emergency calls
- b. Reducing overall police response time through a speedier dispatch process
 - Accurately monitoring patrol car location
 - d. Patrol car dispatching
 - e. Effectively using computer data, files and other reference materials

The 3C&I System should contain the following components and specifications:

a. Computerized event Reporting/Recording System
 (1) Emergency call receipt positions in outlying stations

- (2) Emergency call receipt positions in outlying sub-stations
- (3) Incoming telephone line automatic call distribution system -incoming telephone number and location identification
 - (a) Telephone Number Prefix
 - (b) Telephone area identification
 - (c) Telephone exchange
 - (4) Call handling system
 - Radio Communications System
 - (1) Radio operator positions
 - (a) Command and Control Center
 - (b) Command and Control Sub-Center
 - (c) Command and Control Center Supervisor
 - (d) Special Command and Control Center
 - (2) Handwritten data transmission system
 - (3) Logging recorders
 - (4) Communication control system
 - (5) Radio network communications equipment
 - Non-radio Communication System
 - (1) Command and Control Center
 - (a) Dispatch Control System (b) Terminal Control System

 - (c) Fax Machine System
 - (d) Loud Speaker/Paging System
 - Patrol Car Location Monitoring System
 - (1) Patrol Car automatic location system
 - (a) Fixed location stations
 - (b) Mobile location identification terminals
 - (2) Data Handling System
 - e. Map Index System
 - (1) Map Input System
 - (2) Map Indexing System
 - (a) Zoom/Enlargement
 - (b) Screen display
 - f. Patrol Car Chinese Terminal System
 - (1) Terminal Control System
 - (2) Data Encoding/Decoding System
 - (3) Chinese Terminals
 - (4) Data Handling System
 - g. Closed Circuit TV System
 - (1) Helicopter Camera Image
 - (2) Television Signal Receiver
 - (3) Large Screen Display
 - (4) Signal/Image Control

h. Data Processing System

Main Computer System

(2) Chinese Terminals

TMPH officials previously visited the police offices in Phoenix, Dallas, Miami and Houston and were reportedly impressed with the U.S. information systems.

Contact: Mr. Nathan Lin, Program Manager of Police C3I Taipei Municipal Police Headquarters, 86 Yen Ping South Road, Taipei, Taiwan: phone: (02)383-1566

TAIWAN RESIDENTIAL INFORMATION SYSTEM (TRIS)

Estimated Total Cost:

NT\$7.3 billion (USD270 million)

Starting Date:

March 1985 (Planning)

RP Issuance Date:

February 1990

Expected Date of Contract: April 1990

Expected Completion Date: First Phase: January 1992 (NT\$3 million)

Second Phase: January 1994 (NT\$7 billion)

Current Developments:

The Central Trust of China (CTC) recently short-listed four pre-qualified firms -- Unisys (U.S.), Acer Sertek (representing AT&T), Mitac Inc. (IBM compatible), & NEC (Japan) for the Taiwan Residential Information System (TRIS) on behalf of the Management Information System Department (MISD) of the Institute for Information Industry. MISD is reviewing the actual system operations of these four short-listed firms. A list of qualified firm(s) will be selected by the end of October 1990. Date for price bid has not yet been announced. We understand that multi-vendors will be selected for a pilot study that will last two years. We were told that the project's equipment will be supplied by the vendors who are selected for this study.

Background Information:

Taiwan authorities have currently approved an investment of NT\$7.3 billion (US\$270 million) for the Taiwan Residential Information System (TRIS). TRIS will be installed in two phases. The first phase will be implemented in 1990 and the second phase in 1992. The first phase will be a two-year pilot study with a budget of NT\$300 million. The second phase will have a budget of NT\$7 billion. The project will be completed by 1994. A total of roughly US\$65 million in hardware will be purchased from abroad. We are told that TRIS will require Chinese character capability. The project's workstations, terminals and laser printers will be procured locally. The Ministry of Interior has jurisdiction over the project.

TRIS is currently the largest island-wide computerization network project being undertaken in Taiwan, which covers one (1) central government site, twenty-three (23) local government sites and three-hundred and sixty-one (361) ward offices. It will be implemented as an X.25 network with approximately 250 computer nodes and 2500 PCs island-wide and will handle over 300,000 on-line transactions every day.

The near term objective of the TRIS is to computerize the current manual compilation and archiving of household/personal data in Taiwan. The long term objective is to provide an information base for population structure analysis, various statistical requirements and other government-level decision support.

It is important to note that TRIS will eventually form the backbone of an integrated network of eleven (11) systems in Taiwan:

- a) Tax Processing System (implemented by Data Point & Digital)
- b) Security and Intelligence System (implemented by IBM & Digital)
- c) Police Information System (implemented by NEC)
- d) Immigration Control System (implemented by WANG)
- e) Civil Administration for Taiwan Authorities (planned)
- f) Land Information System (planned)
- g) Social Welfare (planned)
- h) Health Services (planned)
- Urban Planning (planned)
- j) Education Planning (planned)
- k) Decision support system (planned)

These systems may be supplied by different vendors. However, they must all be compatible and allow users to communicate with each other and exchange data between systems.

Local agencies involved and their roles and responsibilities are:

Ministry of the Interior (MOI) -- will prepare the appropriation plan for the Executive Yuan, and nominate a director for "the Preparatory Office"

National Police Administration -- security and intelligence areas

Research Development & Evaluation Commission, Executive Yuan (RDEC) -- will be active in R&D and in evaluation of TRIS solutions

Institute for Information Industry -- will be involved in preparation of benchmark procedures and formulation of the A/P specifications

Project's key players are:

Hau Pei-tsum, premier, Executive Yuan, 1 Chunghsiao E. Road, Sec. 1, Taipei, Taiwan; phone: (02)321-7057

Chow Hong-tao, Minister Without Portfolio, Executive Yuan, 1 Chunghsiao E. Road, Sec. 1, Taipei, Taiwan; phone: (02)393-7977

Hsu Shui-teh, Minister, MOI, 107 Roosevelt Road, Sec. 4, Taipei, Taiwan; phone: (02)341-5241

Contact:

Mr. Tai-Lang Chien, Director of Population Administration, Ministry of Interior, 107 Roosevelt Rd., Sec. 4, Taipei, Taiwan. Tel: (02) 363-2784.

III. CONSTRUCTION PROJECTS

CONSTRUCTION PROJECTS IN KACHSTUNG

Current Developments:

There are several projects with potential markets in southern Taiwan for U.S. suppliers of building materials, construction technology and allied products and services. Mr. Wu Ho-tang, the president of the Kaohsiung Construction Investment Association has offered to assist U.S. companies present their products and services to association members. Wu may be contacted at the following address:

Mr. Wu Ho-tang, President
Kaohsiung Construction Investment Association
3/F-2, 301 Chi Hsien 1st Road, Koahsiung
Phone: (07)261-2723, 281-1761
Fax: (07)272-2967

Recent developments in the construction industry are outlined below, followed by descriptions of major players in the construction industry who are interested in American services and products.

The Chang-ku Building Co., Ltd. of Kaohsiung has engaged Turner International Industries, Inc. of New York as engineering consultant for a 55-story office building project in Kaohsiung. Turner becomes the first U.S. firm to take advantage of trade opportunities in southern Taiwan's highrise construction market. This project is budgeted at NT\$3 billion (about US\$109 million) and scheduled for completion by December 1992. AIT believes Turner's success should spur additional U.S. firms to examine opportunities in southern Taiwan.

The I Hsin Yuan Enterprise Group will begin a 50-story office building on Hsinkuang Road, Kaohsiung this year. The area has been designated by local authorities as a new financial district. The Group will also construct two to three office buildings of 20 stories or more in other parts of Kaohsiung. The group's chairman, Wu Ho-Tang, was recently elected president of the Kaohsiung Construction Investment Association. The association is very well organized. Wu told AIT/K staff that his association is willing to assist U.S. companies in holding seminars and exhibitions of high-quality American products for the association's members. Wu may be contacted through his aide at the following address:

Mr. Hong Kwang-Zong, Chief Planner (surname: Hong) I Hsin Yuan Enterprise Group 15/F, 182, Chung Cheng 2nd Road Kaohsiung, Taiwan Fax: 886-7-3116094 Phone: 886-7-313-3100 The Yungshin Construction and Development Co., Ltd. plans to build 24 residential, office and commercial buildings worth NT\$15 billion (about US\$550 million) in the next five years. Yungshin is interested in importing U.S. construction materials and equipment such as cranes, hoisting and loading machines, building and office automation systems, security systems, curtain walls, generators, elevators, pumps, main frames of air conditioning systems, and drainage systems. Construction technologies such as curtain wall building techniques, construction scheduling control, techniques for design and construction of highrise buildings, and office building management techniques are needed. In addition, Yungshin has expressed interest in serving as a local agent for U.S. firms. Yungshin contact information follows:

Mr. Calvin C. Hu, Vice President
Ms. Maggie Hsu, Special Assistant
Yungshin Construction and Development Co., Ltd.
13/F, 2, Chung Cheng 3rd Road,
Kaohsiung, Taiwan

Fax: 886-7-725-0788 Phone: 886-7-281-9460

The Pacific Construction Co., Ltd. (PCC) informs us it plans to build ten residential and office buildings worth some NT\$29.96 billion (about US\$1.1 billion) this year. PCC claims that the site is located at one of the planned Kaohsiung Mass Rapid Transit System stations. Four of the planned buildings are 20- to 30-story residential complexes, while the remainder are 30 to 40-story office buildings. A Japanese business group (owner of the Sogo Department Store chain) is negotiating with PCC about possible financial, material and technological assistance for the project. While PCC will send a fact-finding delegation to Japan, company officials tell us that PCC has not yet decided to cooperate with the Japanese. They would welcome contact with U.S. firms, at the following address:

Mr. Muh-Sheng Tsai, Assistant Manager (surname: Tsai)
Pacific Construction Co., Ltd.
3/F, 101, Chung Shan 2nd Road
Kaohsiung, Taiwan
Phone: 886-7-2718458
Fax: 886-7-2813664

The Pearly Group plans seven or eight residential and office buildings in Kachsiung over the next three to five years. Two or three will be 10- to 20-story residential buildings, four will be combined residential/office buildings of 20 stories or more, and one will be a 41-story office building. Pearly officials state that Japanese, Australian and European suppliers have contacted the group about these projects. Pearly hopes that American firms will furnish them information on U.S. building materials and technologies. Pearl has limited experience in computing the cost of highrise buildings, and seeks this expertise and an understanding of new construction technologies. Interested U.S. firms may contact the Pearly Group at the following address:

Mr. Chue Yue-Shion, President (surname: Chue)

Pearly Group

18/F, 2, Chung Cheng 3rd Road,

Kaohsiung, TAiwan Fax: 886-7-241-1641 Phone: 886-7-2824208

The Kao Wu Land Development Co., Ltd. plans to build eight residential and office buildings this year and next. Plans are for a 22-story, two 16-story and two 12-story office buildings, and three residential buildings of twelve to fourteen stories. Cost of the project is estimated at NT\$1.35 billion (about US\$50 million). Interested U.S. suppliers of building materials, equipment and technologies are urged to contact the company at the following address:

Mr. Shih Chiu-Kuang, Vice President (surname: Shih)
Kao Wu Land Development Co., Ltd.

3/F, 218, Chung Cheng 2nd Road,

Kachsiung, Taiwan Fax: 886-7-241-3780 Phone: 886-7-281-1141

American firms may wish to consider mailing their promotional literature to the two following Kaohsiung offices:

American Institute in Taiwan, Kaohsiung Branch Office Attn: Commercial Library 3/F, 2, Chung Cheng 3rd Road, Kaohsiung, Taiwan

China Productivity Center, Kaohsiung Branch Office Attn: Mr. Wang Ren-Yu 6/F, 21, Wu Fu 3rd Road, Kaohsiung, Taiwan

ROYAL COUNTRY CLUB IN MIAOLI

Current Developments:

A Taipei firm, Yao-teh International Development Company, Itd., is developing a USD200-million American-style country club in Miaoli County, about 16 kilometers from Miaoli City in north central Taiwan. The project will comprise a 250 to 500-room hotel, two 18-hole golf courses, tennis courts, and various athletic facilities. Parsons Overseas Company (Pasadena, CA) has been selected as the overall designer for the project and William A. Peterson of Parsons is the Project Director. U.S. firm, URS International, Inc., has been chosen as the project architect and Robert Trent Jones Jr. (U.S.) is designing

the golf courses. Baker.3D/I of Wahnchai (Hong Kong) will provide interior design services for the hotel, the Ta-Han Consulting Engineering Company (Taiwan) has been chosen as the site infrastructure engineer, and the Catering Equipment Company, Ltd. (Hong Kong) has been designated as the kitchen consultant. Hotel construction began in December 1989 and is scheduled to be completed in December 1992.

According to Project Director Peterson, about 150 golf carts, various types of golf equipment, hotel equipment, and kitchen equipment will be purchased from the United States. The aforementioned equipment procurement value has not yet been determined, but purchases will begin in the second quarter of 1991.

Contact: Mr. William A. Peterson, Project Director, Royal Country Club, c/o Yao-teh International Development Company, Ltd., 29/Fl, No. 333, Sec 1, Keelung Road, Taipei, Taiwan; FAX: 886-2-7576489; phone: (02)722-2127.

IV. PETROLEUM & PETROCHEMICAL PROJECTS

CHINESE PETROLEUM CORPORATION PROJECTS

. CPC THIRD OIL REFINERY

Chinese Petroleum Corporation (CPC) is actively considering the construction of a NT\$20.4 billion (US\$785 million) third oil refinery in Taiwan. The project would most likely be constructed off the west coast of Taiwan near Chiayi county on a man-made island and will require substantial landfill and either a seabed pipeline or new harbor construction for the delivery of crude oil for refining. Bechtel International recently completed a feasibility study on the construction of a man-made island near Chia-yi. CPC is capable of doing the project preliminary design, which will start, at the earliest, in August 1993 with construction to begin in 2001. In accordance with CPC desires, this project will likely be a turn-key project.

U.S. engineering and construction firms and U.S. suppliers of refinery equipment, pollution control equipment, etc. are recommended to contact:

Mr. C. M. Yang, Director, Manufacturing Division, Chinese Petroleum Corporation, 83, Chung Hwa Road, Section 1, Taipei, Taiwan 10031 Telex: 11215 CHINOL; Fax: 882-2-331-9645

Dr. Wenent P. Pan, Director, Corporate Planning, Chinese Petroleum Corporation, 83, Chung Hwa Road, Section 1, Taipei, Taiwan 10031 Telex: 11215 CHINOL; Fax: 886-2-3319645

. EXPANSION OF THE CHINESE PETROLEUM CORPORATION'S LIQUEFIED NATURAL GAS RECEIVING STATION IN SOUTHERN TAIWAN

Estimated Total Cost:

NT\$19 billion (US\$704 million)

Expected Completion Date: December 1994

Source of Finance:

Chinese Petroleum Corporation

The Taiwan authorities approved on January 6, 1990, the expansion of the Chinese Petroleum Corporation's (CPC) liquefied natural gas receiving station in southern Taiwan. CPC will expand its existing LNG receiving terminal from a 150-ton capacity to a 450-ton capacity station. CPC stated that they have completed a preliminary and detailed design of this expansion project. CPC is negotiating with the CTCI Corporation for a general consultant contract to supervise this project construction, according to CPC. Tenders for equipment purchases for LNG underground tanks and the LNG evaporation plant will be issued to international firms very soon. This US\$704-million project will offer specialized equipment export opportunities to U.S. firms.

contacts:

Y. S. Chen, Chairman of the Board, Chinese Petroleum Corporation, P.O. Box 135, Taipei, Taiwan; Telex: TP 11215; Phone: (02)361-0221

Mr. Y. T. Chiu, Vice President, Chinese Petroleum Corporation, 83, Chung Hwa Road, Section 1, Taipei, Taiwan 10031; Phone: (02)383-5612; Telex: 11215 CHINOL; Fax: 882-2-331-9645

. NOISE ABATEMENT PROJECT(S)

CPC expects to allocate NT\$2.0 billion (about US\$62 million) over three years for noise abatement efforts at their various facilities outside Kachsiung. A West Germany firm, G Plus H, has been assigned as consultant for this project. Two U.S. firms contacted CPC showing interests in supplying equipment for this project.

. TREATMENT OF POLLUTED UNDERGROUND WATER

CPC contracted with the U.S. firm Insitu to conduct a study of the sources and extent of underground water pollution around its Kaohsiung facilities and a feasibility study on treatment of these waters. The Insitu contract is valued at US\$300 thousand. U.S. firms Roy Weston and Riedel have been contracted to conduct studies of polluted underground water at Lin-Ya-Liao and another area around CPC Kaohsiung facilities. The Roy Weston and the Riedel contracts are valued at US\$1 million each. These subsurface waters may be affecting drinking or irrigation water supplies in Kaohsiung and the surrounding area. CPC officials anticipate a future project for the treatment of these waters.

. FOUR 40-KILOMETER UNDERSEA OIL PIPELINES

U.S. firm Intec completed a feasibility study, and the China Engineering Consultants, Inc. with the assistance of Intec, conducted a preliminary and detailed design for construction of four forty-kilometer undersea oil pipelines to replace part of a 20-year-old underground pipeline system. CPC will budget approximately NT\$1.6 billion (US\$59 million) for piping and one buoy for this project. Invitations to bid are expected to be issued in early October 1990.

U.S. firms interested in further pursuing these projects are encouraged to contact:

Mr. S. F. Shih, Director, Department of Projects and Construction, CPC-Kaohsiung Refinery, telex 81960 CHINKOR OR FAX 886-7-583-4228

. FIFTH NAPHTHA CRACKER

Estimated Total Cost:

US\$385 million, including foreign equipment

purchases of US\$250 million

Expected Completion Date: December 1993

Source of Finance:

Chinese Petroleum Corporation

Current Developments:

CPC awarded the contract for the construction of the Fifth Naphtha Cracker to M. W. Kellog, Inc. in 1986. Taiwan environmentalists had effectively blocked the project construction for the past several years. OPC met frequently in the past with the local environmental opposition but only with marginal success. Most recently in August 1990, Premier Hou Pei-tsun and MOEA Minister Vincent Siew placed the Fifth Naphtha Cracker high on their priority list. MOEA promised funds to finance local development and welfare projects in the area of the Fifth Naphtha Cracker. The environmental opposition was satisfied and the project finally began construction on September 22, 1990.

U.S. firm M.W. Kellogg has already completed the engineering design for this project and CPC discloses that Kellogg has already sourced about one-half of the critical equipment.

Background Information:

In January 1986, the Council for Economic Planning and Development (CEPD) approved the construction of Chinese Petroleum Corporation's (CPC) Fifth Naphtha Cracking Plant in Kaohsiung. The budget for the Naphtha Cracker was cut from US\$400 million to US\$385 million in response to earlier criticisms of the project's return on investment by the Commission of National Corporations.

The project was scheduled to be completed by the end of 1990. An increasing demand for ethylene has caused CPC to change their decision about closing down No. 2 Cracker after No. 5 Cracker begins operation. CPC plans to install automated equipment in the new plant to cut down on its operating costs.

M. W. Kellogg will procure all critical equipment. CPC has limited purchases of major equipment, such as compressors and instrumentation, to U.S. suppliers with the remaining equipment purchases open to both U.S. and European suppliers. CPC will procure 10 units of U.S.-made cracking furnaces costing approximately US\$50 million.

Contact: Mr. S. F. Shih, Director, Department of Projects and Construction, CPC-Kaohsiung Refinery, telex 81960 CHINKOR or FAX 886-7-583-4228

FORMOSA PLASTICS PETROCHEMICAL COMPLEX (SIXTH NAPHTHA CRACKER)

Estimated Total Cost: US\$240 million, including 100 million foreign

equipment purchases

Starting Date: January 1987 (for planning)

Expected Completion Date: December 1993 Date of Award: Not yet known

Source of Finance: Formosa Plastics Corporation

Current Developments:

Because of environmentalists' opposition and difficulties in finding a suitable location, the construction of the Sixth Naphtha Cracker has been delayed for several years. The long controversy over construction of Taiwan's Sixth Naphtha Cracker heated up in May 1990 when FPC Y. C. Wang announced that his sixth naphtha cracker would be built in mainland China. This decision caused the Taiwan authorities to offer greater assistance to Formosa Plastics Corporation (FPC) in its efforts to build a Sixth Naphtha Cracker.

The Ministry of Economic Affairs (MOEA) is requesting FPC to present a detailed plan on the proposed sixth naphtha cracker project. The Industrial Development Bureau (IDB) has completed the drafting of a conclusive report on this new cracker project which MOEA will submit to the Executive Yuan for review shortly.

According to the IDB report, FPC will find no difficulty in acquiring ownership of land in the proposed industrial port adjacent to the prospective cracker. To help FPC solve the land shortage problem, IDB has developed the needed land in the Kuanyin Industrial Zone in Taoyuan County to allow FPC to move forward with construction.

To counter opposition faced by FPC, finance and economic officials have suggested that local taxes paid by FPC on this project be used for public construction and development in the Taoyuan county.

Mr. Jack Chao-chuen Jen, Special Assistant to the President of Formosa Plastics, disclosed that Formosa plastics has selected the local China Port and Harbor Engineering Consultants to do the planning and design for its petrochemical harbor. We are told that the consulting firm is capable of doing the detailed harbor design without foreign assistance. The consulting firm has completed a test model and the final detailed design has been reportedly submitted to the Taiwan authorities for approval.

Background Information:

In July 1988, the Environmental Protection Administration (EPA), approved the Formosa Plastics Corporation's environmental impact report for its planned Sixth Naphtha Cracking Plant with the following conditions:

- a. The FPC should map out a detailed plan describing how it can obtain 41,000 tons of water for the plant's operation and ways to dispose of the facilities' waste water.
- b. The EPA suggested that FPC and the Economics Ministry strengthen communication with environmentally conscious residents to avoid public protests against the plant. The FPC should respect opinions of residents in Kuanyin Village, Taoyuan County, the planned construction site.

Formosa Plastics, Taiwan's leading business group, has contracted the U.S. engineering firm Stone and Webster to design its proposed US\$240 million naphtha cracker. FPC has expressed a decided "quality preference" for U.S. naphtha cracker engineering and equipment. The FPC will handle all equipment procurement.

Over seventy-five percent of the US\$100 million foreign equipment purchases will be made from U.S. firms, according to the FPC. U.S. firms Elliott Corporation and Dresser Industries have shown interest in supplying the compressors, turbine, and refrigerator unit. Westinghouse, Foxboro, and Honeywell are under consideration for the instrumentation, and Xomox is one of several U.S. firms pursuing the contract for valves.

The Chinese Petroleum Corporation naphtha crackers cannot keep pace with Taiwan's increasing demand for petrochemical feed stocks. This inability of the state-run enterprise to meet demand ultimately moved the Ministry of Economic Affairs to grant privately owned FPC permission to construct its own naphtha cracker which will produce 450,000 tons of ethylene annually. The plant is scheduled to be completed in approximately three years.

It is predicted that without the new cracker, Taiwan will lose international petrochemical competitiveness within the next three years due to a shortage of raw materials.

Taiwan local press reports indicate that Formosa Plastics executives foresee fierce competition in the world petrochemical market in the near future because several other Asian nations, including South Korea, are vigorously developing their own petrochemical industries.

There are four naphtha cracking plants in Taiwan, all belonging to the state-owned Chinese Petroleum Corporation (CPC). CPC is also constructing a fifth plant with an annual capacity of 400,000 metric tons of ethylene and other petrochemical intermediaries.

With the completion of the fifth and sixth naphtha cracking plants by 1993, Taiwan will become one of the world's top 10 petrochemical producers.

A high ranking Formosa Plastics Group official reported to AIT that the demand for petrochemicals in Taiwan will exceed the supply even after the sixth naphtha cracker is completed.

Contact: Mr. Y. T. Wang, President, Formosa Plastics Corporation, 201 Tung Hwa N. Road, Taipei, Taiwan; Phone: (02)712-2211; FAX: 886-2-7129211; Telex: 11246, 22260 TAIPEI

V. POLLUTION CONTROL PROJECTS

CONSULTANT SERVICES FOR TWELVE TAIWAN EPA PROJECTS

Current Developments:

The Taiwan Environmental Protection Administration (EPA) issued tenders for three (3) projects which will require engineering consultant services totaling approximately 650 thousand U.S. dollars. The three projects include both planning and implementation, and involve hazardous substances control, prevention and analysis. Bidding documents for the following projects are written in both Chinese and English and are available at EPA. Either domestion or foreign consultants are eligible to be the primary contractor for all project proposals. Submission deadline was September 15, 1990. Details are as follows:

- The planning of hazardous chemicals management project Contact: Mr. Chung-I Liu, Phone: 886-2-3117722 ext. 544
- The expansion, application and planning of chemicals information system Contact: Mr. Chung-I Liu, Phone: 886-2-3117722 ext. 544
- The survey and planning of hazardous chemicals emergency prevention and response measures for demonstration
 Contact: Miss Li-Jen Yang, Phone: 886-2-3117722 ext. 534

Remarks: Tax included in all project fees, foreign consulting company (not registered in Taiwan) is subject to a 20 percent tax rate. Project scope, bidder qualification and proposal deadline are all specified in the bidding documents. For details, contact the specified person above and send a self-addressed envelope with project name of interest to: Environmental Protection Administration, Bureau of Environmental Sanitation and Toxic Substances Control, No. 1, Hsiang Yang Rd., Taipei, Taiwan. (Phone: 886-2-3117722, Fax: 886-2-381-0562)

The Taiwan EPA has also budgeted approximately US\$5 million in FY 1991 for nine projects including both planning and implementation of pollution control prevention and analysis proposal. Submission deadline was August 15, 1990, for the following five projects:

For the following five projects, either domestic or foreign consultants are eligible to be the primary contractor. The bidding documents are in Chinese and English.

-- Quality Assurance Project of Air Quality Monitoring Network Contact: Mr. Kuo-Ding Jou, Bureau of Environmental Monitoring and Data Processing, Phone: (02) 311-7722 ext. 716

- -- Hualien River, Mei-Lun River, Chian River Water Pollution Control planning Contact: Mr. Shin-Tai Yung, Bureau of Water quality protection, Phone: (02) 311-7722 ext. 734
- -- Improvement, Evaluation, and Management Manual of Industrial Wastewater Treatment Contact: Mr. Ei-Harng Lei, Bureau of Water quality protection, Phone: (02) 311-7722 ext. 736
- -- Marine Pollutants Investigation and Assimilative Capacity Evaluation for the Southwestern Coastal Area of Taiwan Contact: Mr. Tzi-Chin Chang, Bureau of Water quality protection, Phone: (02) 311-7722 ext. 737
- -- Industry Waste Minimization Demonstration and Promotion Contact: Mr. Jay Shih, Bureau of Solid Waste Management, Phone: (02) 311-7722 ext. 624

For the following four projects, only domestic consultants are eligible to be the primary contractor; foreign consultants are eligible only to be the secondary contractor. The bidding documents are in Chinese language only.

- -- Environmental Impact Assessment Follow-up Project Contact: Mr. Shui-Ping Chang, Bureau of Comprehensive Planning, Phone: (02) 311-7722 ext. 236
- -- Proposals for Evaluating the Clean Up Proposal and the Facilities of Storing, Handling, and Treating Industrial Waste Contact: Mr. Ching-Her Guo, Bureau of Solid Waste Management, Phone: (02) 311-7722 ext. 615
- -- Criteria of Air Pollution Control for Brick Kiln Plant, Surface Coating Operation, Plastic and Manufacture Plants
 Contact: Mr. Fung-Luh Yeh, Bureau of Air Quality Protection, Phone: (02) 311-7722 ext. 503
- -- Environmental Dispute Appeal Mediation Handling System Planning and Design, the Design and Execution of Inspection Dispute Appeal Handling technique training program Contact: Mr. Hsu-Hao Chen, Bureau of Performance Evaluation and Dispute Settlement, Phone: (02) 311-7722 ext. 637

Remarks: Tax included in all project fees, foreign consulting companies (not registered in Taiwan) are subject to a 20 percent tax rate. Project scope, bidder qualification and proposal deadline, etc. are all specified in the bidding documents. For details, contact the specific person above and send a Self-addressed envelope with project names of interest to: Environmental Protection Administration, No. 1, Hsiang Yang Rd., Taipei, Taiwan (Phone: 886-2-311-7722, Fax: 886-2-311-6071).

Contacts: The individual project person listed above or Dr. Joseph Yang, Advisor, Environmental Protection Administration, 1 Hsiang-yang Road, Taipei,

Taiwan; phone: 886-2-311-7722 Ext. 224; FAX: 886-2-331-6071

INDUSTRIAL WASTE DISPOSAL CENTERS

Estimated Total Cost: NT\$2.6 billion (US\$96.3 million,

including equipment purchases

of about US\$30 million)

Construction Time: Source of Finance: January 1991 - January 1994 Chinese Petroleum Corporation

Current Developments:

The Ret-Ser Engineering Agency has been selected by the Industrial Development Bureau (IDB) as a turn-key contractor for the project. The Executive Yuan is reviewing the project plan submitted by Ret-Ser. As soon as the Executive Yuan approves, Ret-Ser will begin the project basic design. According to Ms. Lin Yeh-jiuan, Chief of First Section, Environmental Engineering Project,

Ret-Ser will evaluate and select a foreign engineering consultant to assist Ret-Ser in preparation of the project basic design and detailed design.

Incineration capacity will be approximately 200-250 TPD. Imported equipment will be necessary. Foreign equipment tenders will be opened to international firms.

Background Information:

The Industrial Development Bureau (IDB) of the Ministry of Economic Affairs plans to build three industrial waste disposal centers. IDB has been given a NT\$1 billion budget (US\$37 million) to build one hazardous waste incineration facility in the Tafa Industrial District, Kaohsiung, in southern Taiwan. IDB plans to build the other two in northern and central Taiwan later. The project budget is mostly from the Chinese Petroleum Corporation's surplus profits.

Originally, IDB entrusted the project planning to the Industrial Technology Research Institute (ITRI). ITRI awarded, in July 1988, the preliminary design contract to Chem Control, a Danish firm, and Chem Control completed the preliminary design study in May 1989. U.S. firm, Four-Nines, was selected to review the preliminary design study.

As a first option, the Taiwan authorities prefer to have a private group or company handle construction, operation and maintenance of the center.

Contacts:

Mr. Lin Tsu-sen, Chief, or Mr. Shih Tai-an, Industrial Pollution Prevention Section, Industrial Development Bureau, Ministry of Economic Affairs, 41-3 Hsin-vi Road, Sec. 3, Taipei, Taiwan; Phone: (02)754-1255

Ms. Lin Yueh-Jiuan, Chief of First Section, Environmental Engineering Project, Ret-Ser Engineering Agency, 829 Pei-an Road, Taipei; Phone: (02) 508-4310; FAX: 504-1264

INITIAL CONSTRUCTION OF TAMSUI RIVER CLEAN-UP PROJECT

Estimated Total Cost:

NT\$28.3 billion

(US\$1.1 billion)

Projected Construction Time: July 1988 - June 1993

Current Developments:

The Executive Yuan approved the project which was implemented in July 1988. Major tasks of the project are: (a) construct a sewage, interceptor, and ocean outfall system, and (b) improve solid waste management along riverbanks. Parsons Brinckerhoff Consulting Engineers, a. U.S. firm, is the project general consultant. The Pali Ocean Outfall construction tenders for technical proposals were issued in December 1989. Four local prime bidders submitted the project technical proposals. On September 22, 1990, the Tang Eng Iron Works Company, Ltd. in a joint venture with Morrison-Kundsen Corporation (U.S.) and the Chu Chiang Company in a joint venture with Brown & Root (U.S.) were selected as qualified firms for the Pali Ocean Outfall construction while two other local firms, the Ya Tong Construction Company and Far East Construction Corporation were disqualified. The Pali Ocean Outfall construction contract will be awarded to one of the prequalified firms by the end of October 1990.

Contacts:

Wu Chun-hsiu, Chief Engineer, Sewerage Engineering Division. Department of Public Works, Taipei Municipal Government, 200 Yenping N. Road, Sec. 4, Taipei, Taiwan; Phone: (02)592-7022

Kuo Lung-lang, Director, Environmental Department, Taiwan Housing and Urban Development Bureau, 342 Pa-teh Road, Sec. 2., Taipei, Taiwan; Phone: (02) 773-1212

Edward M. Y. Wu, Director General, Bureau of Water Quality Protection, Environmental Protection Administration, 1 Hsiang Yang Road, Taipei, Taiwan; phone: (02)311-7722

Tsai Jaw-yang, Director General, Construction and Planning Administration, Ministry of the Interior, 194 Peihsin Road, Sec. 3, Hsintien City, Taipei County, Taiwan; (02) 915-7601

Roger Clifford, Vice President, Parsons Brinckerhoff Consulting Engineers, 8/F, 320 Chung Hsiao E. Road, Sec. 4, Taipei, Taiwan; Phone: (02)781-2106; FAX: (02)771-0322

TAIWAN'S SEWAGE PROJECTS/TAIPEI SUBURBAN AREA SEWAGE SYSTEMS PLAN/KAOHSIUNG SEWAGE PROJECT

Estimated Total Cost:

US\$5 billion

Starting Date (Planning): July 1987

Expected Completion Date: June 2007 Date of Award:

In process

Source of Finance:

Central authorities, Taipei, Kaohsiung, &

Provincial authorities.

Background Information:

The Council for Economic Planning and Development passed a resolution to carry out a 20-year sewage project in Taiwan beginning in July 1987. The project calls for a total budget of NT\$128.4 billion (approx. US\$5 billion).

The sewage system project covers two phases:

Phase I: The short-range program or the first phase began in July 1987 and will be completed in June 1993. After the completion of the US\$1.5 billion six-year sewage system program, 15 percent of the target will have been accomplished.

Phase II: The long-range program will begin from fiscal year 1993 through fiscal year 2007. We have been informed by the Council for Economic Planning and Development that the long-range program is still in the planning stage. The 14-year long-range program will extend the sewage network in Taipei to 90 percent of all households and institutions, 80 percent in Kaohsiung, and 30 percent in provincial areas across the island.

By 1993, the new Kachsiung sewage network, with an investment of US\$348 million, will be 48 percent complete and other provincial areas in Taiwan, with a budget of US\$504 million, will be 8 percent complete.

a. TAIPEI SUBURBAN AREA SEWAGE SYSTEM PLAN

Estimated Total Cost:

US\$968 million

Phase I:

US\$323 million (including foreign

equipment purchases of approximately

US\$147 million)

US\$408 million Phase II:

Phase III: US\$348 million

Starting Date:

1972

Expected Construction Date: Phase I:

Phase I: July 1986-June 1990 Phase II: July 1991-June 1995 Phase III: July 1996-June 2000

Source of Finance:

The project will be financed jointly by the Taipei

City and the Taiwan Provincial authorities

Current Developments:

Parsons-Brinckerhoff International won in March 1989 a NT\$48 million (US\$1.8 million) consulting service contract for the Pali Outfall Project Management Control Plan. The Pali Ocean Outfall is a portion of the Taipei Suburban Area Sewerage System Plan. This phase of the project includes the installation of a submarine pipeline for sewage disposal. This turnkey project will consist of engineering, procurement and construction of a 6.5-km long, 3.6-m diameter pipeline. The estimated cost is over US\$150 million. The Pali Ocean Outfall construction tenders for technical proposals were issued in December 1989. Four local prime bidders submitted the project technical proposals. On September 22, 1990, the Tang Eng Iron Works Company, Ltd. in a joint venture with Morrison-Knudsen Corporation (U.S.) and the Chu Chiang Company in a joint venture with Brown Root (U.S.) were selected as qualified firms for the Pali Ocean Outfall construction while two other local firms, the Ya Tong Construction Company and Far East Construction Corporation were disqualified. The Pali Ocean Outfall construction contract will be awarded to one of the prequalified firms by the end of October 1990. The project is to be completed by December 1994.

The Taipei area onland portion of the sewerage system civil construction contract was awarded to the New Asia Construction & Development Corporation, a local firm, in August 1989. This portion of sewerage system civil construction is scheduled to be completed by December 1993. Equipment purchases for this sewerage system will be reviewed by Mr. J. K. Hu, Deputy Director, Sewage Engineering Department, Public Works Department, Taipei Municipal Government, 200 Yenping N. Road, Section 4, Taipei, Taiwan; phone: (02) 595-1691.

Background Information:

The Taiwan Housing and Urban Development Bureau (THUDB) has completed the project's basic and detailed engineering design with the assistance of Engineering-Science, Inc., Dodson and Young (Walnut Creek, CA) and Camp, Dresser & McKee (Boston, MA). The Shitzutou pump station detailed engineering design, also prepared by THUDB, with Dodson and Young's technical assistance, was completed in May 1987.

The planning area for the Taipei suburban area sewage system plan covers the lower Tamsui river basin located in the northern part of Taiwan. The planning area (excluding the municipality of Taipei) consists of sixteen administrative entities in Taipei Hsien (county) and Keelung city. The project is a regional sewage system, consisting of separate sanitary sewer systems along the Keelung

river, Hsintien creek, and Tahan creek. The sewage collected from the planning area will be conveyed to the Shitzutou pump station. From the pumping station the sewage will be combined with Taipei city's excess wastewater and pumped to the Pali wastewater treatment plant. After processing, the treated effluent will be discharged into the Taiwan Straits through an ocean outfall.

The planning area encircles the municipality of Taipei from three sides: the East, the West and the South; and constitutes the Taipei metropolitan area. The planning area comprises approximately 69,700 hectares, of which about 16,700 hectares are covered under Taiwan's urban planning land use regulations

The major components of the regional sewage system (including the city/province joint outfall system) consists of 80 km of primary sewers, 129 km of secondary sewers, 1150 km of tertiary sewers, 5 pumping stations, 14 km of land outfalls, a primary sewage treatment plant, and a 7 km ocean outfall.

The total cost of the project is estimated to be US\$1.1 billion. This cost is based on a 1983 cost index and includes engineering, construction and construction supervision. The cost of the joint city/province facilities is approx. US\$562 million and the cost for the provincial facilities is US\$515 million. The estimated annual cost of operation and maintenance for the complete regional system, including the city/province joint outfall system is US\$38.5 million.

The project will be constructed in three separate phases. Following is an estimated breakdown of cost and construction for each phase of the program, but the Phase I construction schedule will be delayed for three years.

Phase I (July 1986-June 1990, budget of US\$323 million):- Phase I project consists of the construction of first stage Shitzutou (Lion Head) pump station, land outfall, preliminary treatment plant and first ocean outfall. The main purpose is to solve Taipei city's urgent wastewater discharge problem, and to improve environmental conditions in Shanchung, Luchou, and Hsinchuang. THUDB completed the detailed engineering design with the assistance of Dodson and Young and Camp, Dresser & McKee, Inc. The Shitzutou pump station involves building two new outfall pump stations plus a new head works. The 6 large wastewater pumps will each have the capacity to handle 72,000 GPM of raw sewage. In addition to the pumps, the contract will also include the supply of electric motors (3000 HP each) and electric and mechanical equipment. Foreign equipment purchases are estimated at US\$3-4 million. Imported equipment for the Pali wastewater treatment plant comprises sludge scrapers, barscreens, sludge pumps, environmental control laboratory equipment and penstocks. Total foreign equipment procurement is estimated to be approximately US\$132 million. The engineering design was completed in May 1987.

Phase II (July 1991-June 1995, estimated budget of US\$408 million):- Phase II project includes the upgrade of Pali wastewater treatment plant to primary treatment, the enlargement of the Shitzutou pump station and construction of

collection systems in Panchiao, Yungho, Chungho, Hsintien. The sewage of Hsinchih and Chitu will be collected and conveyed by Taipei city trunk line to the joint outfall system.

Phase III (July 1996-June 2000, estimated budget of US\$348 million):- Phase III project comprises the construction of the final stage of the Shitzutou pump station, land outfall, Pali treatment plant and the second ocean outfall, and the completion of the whole sewage collection and treatment system within the planning area.

KACHSTUNG SEWAGE PROJECT

Estimated Total Cost: Over US\$690 million

(Phase I: US\$307 million, including equipment

budget of US\$11.7 million))

(Phase II: US\$383 million)

Starting Date: Phase I - Short Range: July 1979-June 1998

Phase II - Long Range: July 1993-June 2007

Expected Completion Date: June 2007

Current Developments:

In 1988, the Taiwan Environmental Protection Administration (TEPA) began cleanup projects for the Hochin and Tienpao creeks in Southern Taiwan.

The polluted Hochin River was causing losses to local fishermen. Over 70 factories along the river are producing air and waste-water pollution. Hochin residents have staged frequent protests. The issue has become an extremely sensitive one in the area. The Tienpao River, north of Hochin, is changing from an agricultural zone into an industrial and commercial zone, with an accompanying increase in pollutants.

TEPA entrusted planning for the Hoching and Tienpao creeks to the CTCI Corporation who teamed with URS International Inc. of the U.S. They are scheduled to finish the planning within 18 months. The planning contract amounted to NT\$20,000,000 (approximately US\$740,000).

Background Information:

A twenty-year Sewage System Project will be initiated in Kachsiung city (Estimated budget: Over US\$690 million. The entire project covers two phases:

Phase I: Short-range program (July 1987-June 1993, estimated budget: US\$307 million)

(1) Kaohsiung Sewage Area Plan — The Kaohsiung City authority began installation of its sewage network in July 1979. Sinotech Engineering Consultants, Inc. (local) completed the stage 1 detailed design for the Love River clean-up work. Ret-Ser Engineering Agency, Vocational Assistance

Commission for Retired Servicemen has undertaken construction of a 12-kilometer trunk line, 3-kilometer ocean outfall pipelines, wastewater treatment plant, and outfall pump station on turnkey basis. Equipment budget for stage 1 is US\$12 million). A local sub-contractor imported a major portion of wastewater treatment equipment from Envirex, Cleaver Brooks, and Ralph B. Carter of the United States. The stage 2 detailed engineering design was completed in April 1988 by Sinotech. The six-year stage 3 project consists of the construction plan which began in July 1987. It is an expansion of stage 1. With an investment of approximately US\$297 million, the new Kaohsiung sewage network will be 48 percent accomplished. Imported equipment for the expansion of wastewater treatment plant was procured in July 1989.

- (2) Linhai Sewage Area Plan -- Industrial Development Bureau, Ministry of Economic Affairs has completed the wastewater treatment plant and ocean outfall pipelines for the Linhai Industrial zone.
- (3) Nantze Sewage Area Plan -- Sinotech is working on the detailed engineering design for this area. No foreign consulting service is required.

Phase II: Long-range Sewage System Program (July 1993-June 2007, estimated budget of US\$383 million

- (1) After completion of the first six-year sewage system program, the expansion of the wastewater treatment plant, ocean outfall, and a portion of the stage 3 sewage network will be installed in the Kaohsiung Sewage Area. China Engineering Consultants, Inc. prepared the detailed engineering design for this project.
- (2) In the Linhai Sewage Area, an expansion of the Talinpu Wastewater treatment plant, a new sewage plant for the Nantze Sewage Area will be built.

Contacts for the project governing Taipei, Kaohsiung and Taiwan Provincial areas are:

Mr. J. K. Hu, Deputy Director, Sewerage Engineering Division, Public Works Department, Taipei Municipal Government, 200 Yenping S. Road, Taipei, Taiwan; phone: (02)592-7022.

Mr. Chen Chi-tze, Director, Sewerage Engineering Department, Public Works Bureau, Kaohsiung Municipal Government, 60 Minshen 2nd Road, Chienchin District, Kaohsiung, Taiwan; Phone: (07)282-9633

Mr. H. C. Liu, Engineer, Environmental Engineering Department, Sinotech Engineering Consultants, Inc., 15/F 171 Nanking E. Road, Sec. 5, Taipei, Taiwan; Phone: (02)769-2131 Ext. 2815, Cable: SINOTECH TIPEI TELEX: 11701 SINOTECH

Mr. An-i Lin, Vice Manager, Water & Environmental Engineering Department, China Engineering Consultants, Inc., 7/F, 280 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan; PHONE: (02)781-4151, Cable: CONSULTS TAIPEI, TELEX: 22435 CECI, FAX: (2)751-4907

Roger Clifford, Vice President, Parsons Brinckerhoff Consulting Engineers, 8/F, 320 Chung Hsiao E. Road, Sec. 4, Taipei, Taiwan; Phone: (02)781-2106; FAX: (02)771-0322

T. K. Tsou, General Manager, New Asia Construction & Development Corporation, 3/F, 210-221, Chung Hsiao E. Road, Sec. 4, Ta-an District, Taipei, Taiwan; phone: (02)771-5970; FAX: 886-2-777-5751.

VI. INCINERATOR PROJECTS

CHIAYI INCINERATOR PLANT

Estimated Total Cost: NT\$700-900 million (US\$25-32 million), including

equipment purchases of NT\$280-360 million

(US\$10-12.9 million)

Date for Price Bid:

Capacity:

Pending

360 TPD (Two 120-TPD incinerators, with a third

120-TPD incinerator to be installed in the future;

Expected Completion Date:

Source of Finance:

36 months

Central & Provincial Authorities

Current Developments:

Mitsubishi Industrial Itd., Nihon Koka, Takuma Co., Itd., and Marubeni Corporation, four Japanese firms, were selected as prequalified firms. These four Japanese firms re-bid in April 1990 for this project, but their bids were over the ceiling price (between US\$69 million and US\$88.5 million) and the tender was cancelled for the second time. CTC will issue a price bid for the third time as soon as an increased budget is approved.

Background Information:

Sinotech Engineering Consultants, Inc. was chosen to work on the initial planning and detailed design for the Chiayi project. This study is limited to local firms only. We understand that land has been purchased by the Provincial authorities. International tenders for the turnkey contracts to supply, install and test all mechanical and electrical equipment were originally issued on April 8, 1989 by the Central Trust of China. Construction of this project has been delayed for two and a half years.

Bechtel and Westinghouse attempted to bid but were told they did not meet pre-qualification requirements.

This incinerator plant will have a total capacity of 360 TPD. Taiwan Provincial Department of Environmental Protection will begin construction of two 120-TPD incinerators first. A third 120 TPD incinerator will be installed in the future, but no date has been determined. These incinerators will be a mass-burn (mechanical grate) type, each will be provided with a heat recovery boiler. These plants will be computerized control plants.

Contacts:

Mr. Jiin-song Hsieh, Deputy Director, Department of Environmental Protection, Taiwan Provincial Authorities, 91, 6th Floor, Ming-chen Road, 40301 Taichung, phone: (04)222-9126.

Mr. Ling Hong-chie, Manager, Environmental Engineering Department II and Incineration Plant Project Office, Sinotech Engineering Consultants, Inc., 171 Nanking E. Road, Sec. 5, Taipei, Taiwan; Phone: (02)769-2131 Ext. 2800; FAX: 886-2-765-5010.

KEELING INCINERATION PLANT

Estimated Total Cost: NT\$1.25 billion (US\$48 million), including

equipment purchase of NT\$500 million (US\$19

million)

Request for PQ Date:

Delayed until July 1991

Expected Completion:

36 months

Capacity:

400 MT per 24 hours (Two 200-TPD

incinerators)

Source of Finance:

Central Authorities 50 percent and Provincial Authorities 50

percent

Current Developments:

This project will be delayed for one year as the Taiwan Provincial authorities look for new land for the Keelung Incinerator.

Originally, The Taiwan Provincial authorities are planned to issue a turn-key tender for construction of the Keelung Incineration Plant in August/September 1990. The local Sinotech Engineering Consultants, Inc. completed the initial planning for the Keelung Incinerator Plant. And the Provincial authorities have purchased the land for this facility. International tenders for the turnkey contract to supply, install and test all mechanical and electrical equipment are expected to be announced in September 1990 by the Central Trust of China. The Provincial authorities are considering having the turn-key contractor provide operation/maintenance services for the project. This decision will be an advantage to U.S. firms.

The Keelung incineration facility will have a total capacity of 400 TPD with two 200-TPD incinerators to be installed. These incinerators will be the mass-burn (mechanical grate) type, and each will be provided with a heat recovery boiler.

According to Taiwan's previous incineration project bidding procedures, interested U.S. firms should submit bidding documents to the Procurement Department, Central Trust of China (CTC), 45, Wu Chang St., Sec. 1, Taipei, TAIWAN 10006, TELEX: 11377 TRUSTPRO, FAX: 382-2010. Bidders must have their cwn copy of the invitation documents. Bidding documents have to be purchased in person from CTC. A bid bond of one percent is required at the time of submission and will be refunded if the bid is unsuccessful.

Prequalifications have not yet been issued but AIT is here providing the following qualification requirements for a previous incineration project: Tenders required applicants to have completed and put into commercial operation in the previous ten years at least two contracts for the supply and installation, or mechanically-operated refuse incineration plants having a total capacity of not less than 300/600 metric tons every 24 hours. Only those incinerators of the plants named each having a capacity not less than 300 metric tons per 24 hours may be counted as part of the total capacity. Each of the plants named must have completed two years commercial operation.

Contacts for Project:

Mr. Jiin-song Hsieh, Deputy Director, Department of Environmental Protection, Taiwan Provincial Authorities, 91, 6th Floor, Ming-chen Road, 40301 Taichung, phone: (04)222-9126.

Mr. Su Shih-chi, Director, Keelung City Environmental Protection Bureau, 253 Tung-kuan Road, Hsin-yi District, Keelung City 20109; Phone: (032)230-146

Mr. Ling Hong-chie, Manager, Environmental Engineering Department II and Incineration Plant Project Office, Sinotech Engineering Consultants, Inc., 171 Nanking E. Road, Sec. 5, Taipei, Taiwan; Phone: (02)769-2131 Ext. 2800; FAX: 886-2-765-5010.

MOCHA REFUSE INCINERATION PLANT

Estimated Total Cost: NT\$4.1 billion (US\$152 million), including

equipment purchases of NT\$3 billion (approx.

US\$110 million)

Construction Starting Date: January 1990

broated Completion.

Expected Completion:

December 1993 (for construction)

1,500 MT per 24 hours

Source of Finance:

Capacity:

Taipei Municipal Government

Current Developments:

Japanese firms, Mitsubishi Industrial Ltd., Nihon Koka, Takuma Company, Ltd., and Marubeni Corporation, offered bid prices between US\$120 million and US\$125 million. Takuma Company, Ltd. won this incinerator contract and construction is underway. American and European firms did not submit tenders for this contract because they could not meet the tender experience requirements. This project is scheduled for completion in December 1993.

Contacts:

Mr. Teh-lung Liu, Engineer, Fourth Section, Bureau of Environmental Protection, Taipei Municipal Government, 4 Hsi-ning S. Road, Taipei, Taiwan, phone: (02) 381-6617/381-7523

Mr. Jui-yean Chung, Acting Manager, Mucha Refuse Incineration Plant, Bureau of Environmental Protection, Taipei Municipal Government, 4 Hsi-ning S. Road, Taipei, Taiwan, phone: (02) 230-6825

SHIH-LIN INCINERATION PLANT

Estimated Total Cost:

NT\$5.6-6 billion (US\$186.7-200 million), including

equipment purchases of NT\$4.2-4.4 billion

(US\$140-146.7 million)

Request for PQ Date::

August 1990

Expected Completion:

September 1995 (for construction)

Capacity:

1,800 MT per 24 hours (Four 450-TPD incinerators)

Source of Finance:

Taipei Municipal Government

Current Developments:

Japanese firms, Mitsubishi Industrial Ltd., Nihon Koka, Takuma Co., Ltd., Marubeni Corporation, and a Swiss company, W & E Co., submitted prequalification documents. CTC is now reviewing those documents.

The 1,800-T/D-capacity Shihlin Refuse Incineration Plant will have two separate contracts: An equipment turnkey contract and a civil construction contract. This equipment turnkey contract is different from the previous Taiwan turnkey incineration contracts which included supply of equipment and civil construction.

Background Information:

The local Sinotech Engineering Consultants, Inc. was chosen to work on the initial planning and detailed design for the Shihlin Incinerator Plant. We understand that land has been purchased by the Taipei City authorities.

The Shih-Lin Incineration Plant will have a total capacity of 1,800 metric tons per 24 hours. Sinotech recommends that four 450-TPD incinerators be installed. These incinerators will be a mass-burn (mechanical grate) type, each will be provided with a heat recovery boiler. This plant will have a ESP plus wet scrubber air pollution control system.

Contact:

Mr. Jui-yean Chung, Chief of Technical Division, Bureau of Environmental Protection, Taipei Municipal Government, 4 Hsi-ning S. Road, Taipei, Taiwan, phone: (02) 312-2057/381-7523 (Mr. Liu or Mr. Lai)

Mr. Ling Hong-chie, Manager, Environmental Engineering Department II and Incineration Plant Project Office, Sinotech Engineering Consultants, Inc., 171 Nanking E. Road, Sec. 5, Taipei, Taiwan; Phone: (02)769-2131 Ext. 2800; FAX: 886-2-765-5010.

SHIHLIN HOSPITAL WASTE INCINERATORS

Estimated Total Cost: NT\$500 million (USD17.9 million), including

equipment purchases of NT\$2 million (USD7 million

Request for PQ Date: Has not been determined Contract Award Date: Has not been determined

Capacity: 90 TPD (Three 30-TPD incinerators)

Expected Completion Date: Delayed

Source of Finance: Taipei City Authorities

Current Developments:

The Taipei City Environmental Department plans to build a 90-TPD hospital waste incinerator at the Shihlin incinerator site. Foreign consulting services will be required for the initial planning and detailed design of this project. The hospital waste incinerator plant will have three 30-TPD incinerators. The project budget was disapproved by the Taipei City Council in 1990. The Taipei Municipal authorities will submit budget proposal to the Taipei City Council again next year.

Contact:

Mr. Jui-yean Chung, Chief of Technical Division, Bureau of Environmental Protection, Taipei Municipal Government, 4 Hsi-ning S. Road, Taipei, Taiwan, phone: (02) 312-2057/381-7523 (Mr. Liu or Mr. Lai)

Mr. Ling Hong-chie, Manager, Environmental Engineering Department II and Incineration Plant Project Office, Sinotech Engineering Consultants, Inc., 171 Nanking E. Road, Sec. 5, Taipei, Taiwan; Phone: (02)769-2131 Ext. 1330; FAX: 886-2-765-5010.

TAICHUNG INCINERATOR PLANT

Estimated Total Cost: NT\$1.5-1.8 billion (US\$53.6-64.3 million),

including equipment purchases of NT\$600-720

million (US\$21.4-25.7 million)

Request for PQ Date:

Submission/Review of Bid

Proposals:

Date for Price Bid:

Capacity:

Expected Completion Date:

Source of Finance:

Pending

Pending Pending

600 TPD (two 300-TPD incinerators)

July 1993 (Will be delayed)

Central & Provincial Authorities

Current Developments:

Mitsubishi Industrial Ltd., Nihon Koka, Takuma Co., Ltd., and Marubeni Corporation, four Japanese firms, offered bidding prices between US\$123 million and US\$146 million. The bid was cancelled twice since none of the bidders got below the ceiling price. Central Trust of China will issue a price bid for the third time as soon as the increased budget is approved.

Background Information:

Sinotech Engineering Consultants, Inc. has been chosen to work on the initial planning and detailed design for the Taichung incinerator. This study is limited to local firms only. We understand that land has been purchased by the Provincial authorities. International tenders for the turnkey contracts to supply, install and test all mechanical and electrical equipment have been delayed.

The Taichung facility will have a total capacity of 600 TPD with two 300-TPD incinerators to be installed. These incinerators will be a mass-burn (mechanical grate) type, each will be provided with a heat recovery boiler. These plants will be computerized control plants applying either an analog or digital system.

Contacts:

Mr. Jiin-song Hsieh, Deputy Director, Department of Environmental Protection, Taiwan Provincial Authorities, 91, 6th Floor, Ming-chen Road, 40301 Taichung, phone: (04)222-9126.

Mr. Ling Hong-chie, Manager, Environmental Engineering Department II and Incineration Plant Project Office, Sinotech Engineering Consultants, Inc., 171 Nanking E. Road, Sec. 5, Taipei, Taiwan; Phone: (02)769-2131 Ext. 2800; FAX: 886-2-765-5010.

TAINAN CHENG-HSI-LI REFUSE INCINERATOR TURNKEY PROJECT

Estimated Total Cost: NT\$1.125 billion (US\$42 million), including

equipment purchases of NT\$450 million (US\$17

million)

Date for Submission of

Specification Bids:

Pending Pending

Price Bid Opening Date: Capacity:

400 TPD (Two 200-TPD incinerators)

Expected Completion Date: December 1993/1994

Source of Finance:

Central & Provincial Authorities

Current Developments:

The Central Trust of China (CTC) selected, on May 15, 1989, four prequalified firms, Mitsubishi Industrial Ltd., Nihon Koka, Takuma Company, Ltd., and Marubeni Corporation. The Tainan County Environmental Protection Bureau is reclaiming a site for this incineration facility. Dates for the submission of specification and price bids will be announced as soon as the increased budget is approved.

Background Information:

Listed below is a brief description of the project:

The Department of Environmental Protection, Taiwan Provincial Government, intends to construct one refuse incineration plant to be located at Tainan Cheng-hsi-li, a suburban district of Tainan City.

The plant will have a total capacity of 400 metric tons per 24 hours and will consist of two incinerators, each with a capacity of 200 metric tons per 24 hours. These incinerators will be a mass-burn (mechanical grate) type, each will be provided with a heat recovery boiler. The steam produced in the boilers will generate electricity.

The turnkey contract includes civil/architectural works, supply of mechanical, electrical, control and other plant equipment, associated shipping, inland transportation, clearance of customs, and storage before installation, complete installation of contract equipment, preliminary operation of equipment components or functional systems, test operation of the entire plant for refuse incineration, conduct of performance tests, the fulfillment of guarantees and warranties for contract equipment, training of client's operators, and transfer of technology of operation and maintenance to the client.

It is understood that by nature of the turnkey arrangement the performance of the equipment components and the performance of the entire plant is the responsibility of the contractor. The contractor's scope of work includes the functional design of individual plant systems, process design of the entire plant, coordination of performance of equipment components, schedule control of equipment manufacture, delivery, transportation, installation and testing, plus the supply of engineering design data and construction of the civil and architectural works of the plant building and stack. The contractor shall apply in due time for all necessary permits and licenses required for his works and shall coordinate the activities among all his manufacturers and subcontractors for the works of the project.

Contacts:

Mr. Yu-cheun Wu, Project Engineer, Water and Environmental Department, China Engineering Consultants, Inc., 21 Floor 185 Hsing-hai Road, Section 2, Taipei, Taiwan; Tel: (02) 736-3567 Ext. 2115, FAX: (02) 736-3692

Mr. Kuo Chih-nan, Director, Tainan County Environmental Protection Bureau, 72 Shan Ming Road, Tahung Li Hsinying City 73010, Taiwan; Phone: (06)633-5422

TAIWAN EPA'S TWO INCINERATOR PROJECTS

Estimated Total Cost:

Pre-qualification & Technical

Bid Issuance Date:

Tender Opening Date:

Date for Contract award: Expected Completion Date:

Capacity & Budget:

US\$193 million

December 4, 1989 (Re-issued)

Pending Pending

January 1994

Shulin Plant - 1,200 TPD Approx. NT\$3 billion

(US\$115 million)

Hsientien Plant - 900 TPD Estimated at NT\$2.25 billion

(US\$86.5 million)

Source of Finance: Chinese Petroleum Corporation

Current Developments:

On April 27, 1990 CTC re-issued pre-qualification tenders on behalf of the Taiwan EPA for the Hsientien and Shulin incinerator projects. The four consortia headed by Japanese firms were the only bidders and since their bids were more than double the ceiling price, the tender was cancelled. On September 24, 1990, CTC cancelled the tender for the second time because the prices offered were still above the ceiling price. The date for a third tender has not yet been announced. The firms which were pre-qualified by the EPA are:

- Hitachi Consortium; composed of Hitachi Zosen Corp., Von Roll Inc. (U.S.A.), and Marubeni Corp.
- NKK Consortium; composed of NKK Corp., Kumagai Gumi Co., Ltd., Toshiba Corp., and Volund USA Ltd.
- Takuma Consortium composed of Takuma Co., Ltd., Asea Brown Bovery AG (ABB), and Riley Stoker Corp. (U.S.A.)
- Mitsubishi Heavy Industries Ltd.

Background Information:

Fichtner of West Germany has been selected as general consultant for Taiwan EPA's three incinerator projects. Taiwan EPA originally planned to build three municipal solid waste resource recovery plants, one each of 1,200 T/P/D, 900 T/P/D and 300 T/P/D will be built in Shulin, Hsientien and Fongshan. Currently, the Taiwan EPA will call for construction of only two incineration plants instead of the original three, due to non-availability of land for the third incineration facility initially scheduled to be built in Fongshan. Sinotech Engineering Consultants, Inc. (local) has prepared preliminary engineering design for the project.

Eight firms initially submitted pre-qualification documents for the three Taiwan EPA incinerator projects, reported. The PQ document submissions were all consortium efforts: (a) Bechtel (U.S.) lined up Deutsche Babcock of West Germany, (b) J. A. Jones Construction Company (U.S.) teamed with Steinmuller of West Germany, (c) Riley Stocker Engineering (U.S.) formed a consortium with Takuma of Japan and ABB, (d) Volund U.S.A. teamed with NKK, Kumagai Gumi Co., Ltd., and Toshiba of Japan, (e) Mutsubishi grouped with Yokohama Backyard Machinery Works of Japan, (f) Hitachi grouped with Von Roll Inc. (U.S.A.), Zosen Corp. and Marubeni, (g) Sogea of France teamed with Stein (a European firm), and (h) Nobel lined up Chamtur of Sweden.

Contact: Mr. Shen I-fu, Specialist, Bureau of Solid Waste Control, Taiwan Environmental Administration (EPA), 1 Hsiang Yang Road, Taipei, Taiwan; phone: (02)3117722 Ext. 605

Updated Information on Incineration Projects:

A. The Taiwan authorities informed AIT in June 1990 that they are considering inviting only U.S. and European bidders to bid on future Taiwan Provincial authority incinerators. Taiwan authorities plan to construct 16 incinerators between July 1990 and June 1996. In the past three years, the Taiwan authorities called for pre-qualification proposal submissions and construction bids for incinerators in Neihu, Mucha, Taichung, Chiayi, Tainan and the two Taiwan EPA municipal solid waste resource recovery plants.

Currently, the Taiwan authorities plan to finance the turn-key construction of the incineration plants and provide operation/maintenance services for the facilities in Taipei and Kachsiung cities. The Provincial authorities are considering financing the refuse incinerator plant construction but having the turn-key contractors provide operation/maintenance services for 20 years.

Both CECI and the Sinotech Engineering Consultants, Inc. were chosen by the local authorities to work on the initial planning and detailed design for Taiwan's incineration projects. CECI is conducting a feasibility study in the hope of speeding up the implementation of refuse incineration plants in Taiwan.

B. Project Engineer Yu-cheun Wu of the Water and Environmental Department, China Engineering Consultants, Inc. (CECI), is seeking AIT's assistance in obtaining the following information about the U.S. incinerator industry:

Company, name, position, phone, and FAX:--

- -- List of major U.S. firms which manufacture incinerator with a capacity of at least 100 ton/day.
- -- Cost analysis of current U.S. municipal solid waste incinerator projects including a description of the flue gas cleaning processes as well as power generation capabilities. Interested U.S. incinerator firms are urged to contact Mr. Wu Yu-Cheun, Project Engineer, Water and Environmental Department, China Engineering Consultants, Inc., 21 Floor 185 Hsing-hai Road, Section 2, Taipei, Taiwan; Tel: (02) 736-3567 Ext. 2115, FAX: (02) 736-3692
- C. Taiwan EPA is talking about future privatizing the operation/maintenance of its refuse incineration plants. AIT recommends the following strategy for foreign firms to market their incineration products:
- Consider forming joint venture with any Taiwan firm, organization, or individual who owns land such as the state-owned Taiwan Sugar Corporation (TSC) for construction of incineration facilities. AIT has been told that the Taiwan authorities will give favorable consideration to whoever acquires appropriate sites for incinerators and will provide funds to assist construction of the facilities. Contact for TSC: How-lan Wei, President, Taiwan Sugar Corporation, 25, Paoching Road, Taipei 10002; phone: (02)311-0521; telex: 11270 Taipei.
- 2. Indirect participation by associating with a local private firm or public enterprise which is interested in playing the role of general contractor. A list of engineering and consulting firms who are interested in co-operating with U.S. consultants on a project by project basis and a list of environmental protection agents in Taiwan who may be interested in associating with foreign firms are given below:

D. Following is a summary list of Taiwan refuse incineration facilities either in operation, under construction, in bidding process or in initial planning stages under the jurisdiction of the Taiwan EPA, the Taipei City Department of Environmental Protection, the Kaohsiung City Department of Environmental Protection or the Taiwan Provincial Department of Environmental Protection:

Incineration Plant Name City	Capacity Unit x MTPD/units	Air Pollution Control System	Project Status	(Expected) Commissioning Year	
An-kang Taipei County	2 x 112.5	NH3 injection plus ESP	In operation	Sep 1980	
Neihu Taipei City	3 x 300	ESP plus wet scrubber	Under construction	Mar 1991	
Mucha Taipei City	4 x 375	ESP plus wet scrubber	Site preparation M/E equipment awarded	Dec 1993	
			awarueu		
Shihlin Taipei City	4 x 450	ESP plus wet scrubber	M/E equipment bidding	Sep 1995	
Taichung City	2 x 300	Semi-dry scrubber plus ESP	Site preparation M/E equipment bidding	Jul 1993	
Chiayi City	3 x 120	Semi-dry scrubber plus ESP	Site preparation M/E equipment bidding	Apr 1993	
Tainan City	2 x 200	Semi-dry scrubber plus ESP	Site preparation M/E equipment bidding	Jul 1993	
Hsintien Taipei County	3 x 300	Dry/Semi-dry scrubber* (system will be decided by	M/E equipment bidding	Dec 1992	
		equipment supplier) plus bag filter			
Shulin Taipei County	4 x 300	Dry/Semi-dry scrubber* (system will be decided by equipment supplier) plus bag filter	M/E equipment bidding	Feb 1993	

Keelung City	2 x 200	ESP plus wet scrubber	Initial planning completed	Jun 1994
Hsinchu District	500 MIPD	-	Preliminary Study	Jul 1991- Jun 1996
Taichung District	300 MIPD	-	Preliminary Study	Jul 1991- Jun 1996
Taichung District	300 MIPD	-	Preliminary Study	Jul 1992- Jun 1996
Changhwa City	400 MIPD	- "	Preliminary Study	Jul 1991- Jun 1996
Yunlin District	1 x 200 1 x 100		Preliminary Study	Jul 1990- Jun 1996
Tainan District	1 x 200 1 x 100		Preliminary Study	Jul 1991- Jun 1996
Kaohsiung District	1 x 200 1 x 100	*	Preliminary Study	Jul 1990- Jun 1996
Fongshan, Kaohsiung District	1 x 300	Dry/Semi-dry scrubber* (system will be decided by equipment supplier) plus bag filter	Initial planning Completed Site has not been located	Jul 1990- Jun 1996
Pingtung District	300 MIPD	المراجب فللمستعددات	Preliminary Study	Jun 1991- Jun 1996

^{*} System will be decided by equipment supplier.

Local Engineering and Consulting Firms Concerned with Incinerator Projects

CTCI Corporation, Engineers & Constructors

695 Tung Hwa S. Road, Taipei, Taiwan

Phone: (02)700-9659 Cable: CHITECH TAIPEI Telex: 11734 CHITECH

Fax: 011-886-2-709-9303

011-886-2-700-7146

Attn: Mr. Y. M. Dong, President

Sinotech Engineering Consultant, Inc.

15/F, 171 Nanking E. Road, Sec. 5, Taipei, Taiwan

Phone: (02)769-2131 Cable: SINOTECH TAIPEI Telex: 11701 SINOTECH Fax: 011-886-2-765-5010

Attn: Mr. Y. Cheng, General Manager

China Engineering Consultant, Inc.

7/F, 280 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan

Phone: (02)781-4151 Cable: CONSULTS TAIPEI

Telex: 22435 CECI

Fax: 011-886-2-751-4907

Attn: Mr. C. S. Chang, General Manager

Ret-Ser Engineering Agency

Vocational Assistance Commission for Retired Servicemen (VACRS)

207 Sungchiang Road, Taipei, Taiwan

Phone: (02)503-2233 Cable: RSEA TAIPEI

Telex: 21531 RSEA TAIPEI Fax: 011-886-2-503-2968

Attn: Mr. Arther Chen, General Manager

BES Engineering Corporation

3F-7F, 320 Chunghsiao E. Road, Sec. 1, Taipei, Taiwan

Phone: (02)752-1111 Cable: BESCO TAIPEI Telex: 21985 BESCO

Fax: 011-886-2-731-4901

Attn: Mr. T. S. Ho, General Manager

Continental Engineering Corporation

11/F, Continental Building

280 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan

Phone: (02) 751-2233

Cable: "CONTIENGN" TAIPEI Telex: 23480 CONTICOM Fax: 011-886-731-4189

Attn: Mr. Glyn T. H. Ing, President

HAIGO SHEN & ASSOCIATES

P. O. Box 829

9F, 550 Chung-hsiao E. Road, Sec. 4, Taipei 10516, Taiwan

Phone: (02) 755-6777

Fax: 011-886-2-701-2578

Attn: Mr. Haigo T. H. Shen, Principal

New Asia Construction & Development Corporation

Hwa Hsin Building

3/F, 219-224 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan

Phone: (02)771-5970 Cable: NEWASIACON TAIPEI Telex: 23265 NACDC TAIPEI Fax: 011-886-2-777-5751

Attn: MR. T. K. Tzou, General Manager

Condor Construction Engineering Corp.

11F, 374 Pa Teh Rd., Sec. 2, Taipei, Taiwan

Phone: (02) 772-3356

Fax: 011-886-2-711-4687

Attn: Mr. James Tao, General Manager

Pan Asia Corporation

7F, 219 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan

Phone: (02) 771-7417

Fax: 011-886-2-721-9148

Attn: Mr. K. C. Wang, General Manager

Taiwan Cement Engineering Corporation

11F, 61 Chung Shan N. Road, Sec. 2, Taipei, Taiwan

Phone: (02)551-6091

Fax: 011-886-2-571-3624

Attn: MR. Koo Chen-fu, Chairman

Fu Tsu Construction Company, Ltd.

95 Nanking E. Road, Sec. 2, Taipei, Taiwan

Phone: (02)551-7559 Telex: 20318 HAVAD

Fax: 011-886-2-561-6146

Attn: MR. C. P. Lin, President

Potential Agents

Hwa Tech Industrial & Development Corporation 7F, 305 Min Sheng E. Rd., Taipei, Taiwan

Cable: HTID Telex: 23506

Phone: (02)509-0509

Fax: 011-886-2-505-9875

Attn: Dr. Lester T. C. Lee, Chairman of Board

Uehmou Company, Ltd.

29, Alley 4, Lane 345, Jen Ai Road, Sec. 4, Taipei

Phone: (02) 772-5221

Fax: 011-886-2-721-2601

Attn: Mr. T. C. Huang, President

Kailay International Company, Ltd.

17F, 695 Tun Hua S. Road, Taipei, Taiwan

Phone: (02)706-7259 Telex: 11675 KAILAY Cable: KAILAY TAIPEI

Fax: 011-886-2-706-7124

Attn: Mr. William Z. Lidicker P.E.

Rich Star Enterprise Corporation

12F, 501 Kuang Fu S. Road, Taipei, Taiwan

Phone: (02) 709-4202

Fax: 011-886-2-709-6508

Attn: Mr. Ho-cheng Yang, President

Enrich Engineering Company, Ltd.

Suite 6, 7F, 415 Hsin Yi Rd., Sec. 4, Taipei, Taiwan

Phone: (02)709-1127 Telex: 26931ENRENGCO Fax: 011-886-2-703-4537 Attn: Mr. John G. Young

Scientek Corporation

P. O. BOX 26-137, Taipei, Taiwan

10-1/F, 180 SEC. 4, Nanking E. Road, Taipei, Taiwan

Phone: (02)731-2911-3 Telex: 27598 SCIENTEK Fax: 011-886-2-752-9793

Attn: Mr. H. C. Cheng, Director, Computer Division

Quanta Engineering and Consulting Corporation 8F-6 NO. 626 Kuang-fu S. Road, Taipei, Taiwan

Phone: (02)754-8136, 754-9674 Fax: 011-886-2-700-5382

Attn: Mr. Teh-Pei Lin, General Manager

Flying Cloud

P. O. BOX 1-22 LUNG-TAIN TAIWAN 32548

Phone: (02)314-5384 Ext. 4604 Fax: 011-886-2-392-1082

Attn: Mr. Chilin Cheng, M.S. in safety USC

VII. SANITARY LANDFILLS

TATWAN SANITARY LANDFILL PROJECTS

Between July 1990 and June 1996, the Taiwan authorities will construct 75 sanitary landfills in various cities throughout Taiwan including 69 district sanitary landfills and 6 slag-ash sanitary landfills. According to local authorities, no foreign engineering services are required for these landfill projects. Taiwan authorities are considering having the private sector handle garbage transportation and sanitary landfill management. If this polity is approved, U.S. firms will have good opportunities to offer management expertise. These landfills also offer trade opportunities for U.S. suppliers to supply liner, wastewater treatment equipment, methane gas recovery equipment, bulldozers, excavators, and odor prevention spraying systems.

Following is a complete list of sanitary landfills to be constructed:

		Construction date
1	13,000	1993 - 1994
2	6,100	1994 - 1996
5	15,000	1991 - 1994
4	8,100	1992 - 1996
2	11,100	1993 - 1995
5	8,500	1992 - 1996
7	22,700	1992 - 1996
6	30,700	1992 - 1996
6	16,000	1992 - 1995
3	25,400	1991 - 1996
4	17,100	1992 - 1996
9	29,800	1991 - 1996
6	12,600	1991 - 1996
) 6	20,300	1991 - 1995
5	8,800	1991 - 1995
2	3,500	1992 - 1993
2	5,500	1992 - 1995
75	254,200	
	5 4 2 5 7 6 6 3 4 9 6 6 5 2 2	2 6,100 5 15,000 4 8,100 2 11,100 5 8,500 7 22,700 6 30,700 6 16,000 3 25,400 4 17,100 9 29,800 6 12,600 9 20,300 5 8,800 2 3,500 2 5,500

The following contact persons can provide more complete information concerning the above landfill projects:

Bureau of Solid Waste Control Environmental Protection Administration

1 Hsiang-yang Road, Taipei, Taiwan

Phone: 011-886-2-381-8904 FAX: 011-886-2-311-6071

Attn: Shean-rong Cheng, Director General

Department of Environmental Protection

Taiwan Provincial Government 91, 6th Floor, Ming-chen Road

40301 Taichung, Taiwan

Phone: 011-886-4-222-9126.

Attn: Jiin-song Hsieh, Deputy Director

Department of Environmental Protection

Kaohsiung Municipal Government

102 San Duo 2nd Road, Kaohsiung, Taiwan

Phone: 011-886-7-721-9025 Fax: 011-886-7-721-2416

Attn: Chia-nan Liu, Chief Secretary

Department of Environmental Protection

Taipei Municipal Government

3/F, 4 Hsi-ning South Road, Taipei, Taiwan

Phone: 011-886-2-381-7523 Fax: 011-886-2-312-2057

Attn: Joe L. Hsieh, Chief, Division 4

(Planning and Design of Solid Waste Treatment)

Sinotech Engineering Consultants, Inc.

171 Nanking E. Road, Sec. 5, Taipei, Taiwan

Phone: 886-2-769-2131 Ext. 2800

Fax: 886-2-765-5010

Attn: Ling Hong-chie, Manager

Environmental Engineering Department II and

Incineration Plant Project Office

U.S. firms interested in pursuing the above landfill opportunities are encouraged to contact the individuals mentioned above.

VIII. POWER PROJECTS

The state-run Taiwan Power Company (TPC) is the sole supplier of electrical power in Taiwan. In 1989, TPC generated 16,589 MW of electrical power. Of this total, 8,887 MW (53.6 percent) was generated by thermal power plants, 5,144 MW (31.0 percent) by nuclear power plants, and 2,558 MW (15.4 percent) by hydro electric power plants. The average annual growth of power demand from 1960 to 1988 was 11.6 percent. The estimated annual growth of power demand from 1990 to 2000 is 5.9 percent. TPC estimates that the annual growth of power supply from 1990 to 2000 will also reach 5.9 percent.

TPC expects that by the end of the year 2000 its power generating capacity will reach 30,472.7 MW, consisting of 4,633.0 MW (15.2 percent) of hydro power, 7,144 MW (23.4 percent) of nuclear power, 11,425.0 MW (37.5 percent) of coal-fuel thermal power, 3,536 MW (11.6 percent) of oil-fuel thermal power, and 3,735 MW (12.3 percent) LNG-fuel thermal power. The net increase of 13,883.9 MW during the 1989-2000 period will be the result of the addition of 2,075.0 MW of hydro power, 10,820.9 MW of fossil-fuel power, 2,000 MW of nuclear power, and the subtraction of 1,012 MW through scheduled retirement. A brief summary of these power generating additions is shown in the following table. Some of these major projects were previously reported in AITGRAM A-002 or AIT cables which are given as reference with each project listing.

TPC's long range power development program (1989-2000) will generally follow the Taiwan authorities' energy diversification policy to reduce system production costs. The bulk of energy will be derived from a series of coal fired and nuclear units whereas oil-fired units will be used as supplementary sources. Thus coal importation will increase rapidly in the future. To improve environmental conditions and also to attain energy diversification, increased generation in LNG power generation is also being considered. The amount of required LNG is expected to be increased from zero at present to 3.0 million tons in the year 2000.

POWER GENERATION ADDITIONS FROM 1989 to 2000

Project Title	Capacity (MW)	Scheduled Operation	Budget (US\$)	Present Status
Hydro Power Project	s:			
Mingtan Pumped- 6x2	4.3 5.0 66.7	Jul 1989 Dec 1990 Mar 1992-)		Completed Under Construction Under Construction
Storage Nos. 1-6 Shuili (Ref: AITGRAM A-	12.9 002 & 90 TAIPE	Sep 1993) Mar 1992) EI 0888 & 826	billion	Under Construction
(Ref: 90 TAIPEI	05.5 0888 & previou	Jun 1992 is)	319 million	Under Construction
Maan 2x (Ref: 90 TAIPEI & previous)	66.75 0888	1995	422 million	Taiwan Authorities Reviewing

(Continued)				
(00110211000)	Capacity	Scheduled	Budget	
Project Title	(MW)	Operation	(US\$)	Present Status
rrojece rrere	(121)	openacion.	(004)	
Bihai	56.0	1998	_	Feasibility Studying
Choshui Diversion	120.0	1999	_	Feasibility Studying
Wusheh Enlargement	8.3	2000		Planning
Chunping	29.3	2000	_	Planning
Subtotal	2,075.0	2000		1 Italianing
Subcocai	2,075.0			
Foreil-fired Down	Dronosta.			
Fossil-fired Power	Projects:			
Donatu 3 Talata	0.0	1000		Completed
Penghu 3 Islets	0.9	1989	70.4	Completed
Penghu Diesel	2x10	1992	70.4	Taiwan Authorities
Nos. 9,10			million	-
Tunghsiao Combined	2x350	May 1990-	666.7	Under Construction
Cycle No. 4,5		May 1992	million	
(Ref: 90 TAIPEI				
Taichung Coal	4x550	Jun 1991-	3.34	Under Construction
Nos. 1-4		Jun 1993	billion	
Taichung Coal	4x550	1995-1997	3.34	Planning
Nos.5-8			billion	
(Ref: AITGRAM A-	-002, 90 TAIPEI	0888 & prev	rious)	
Nanpu Combined	3x350	1993-1996	1.19	Feasibility Studying
Cycle Nos.1,2,3			billion	
Talin LNG No.6	550	1994	466.7	Taiwan Authorities
			million	Reviewing
Hsinta LNG	4x350	1994	-	Feasibility Studying
Nos.5,6,7,8				
Suao Coal Nos.1,2	2x550	1995-1996	_	Feasibility Studying
(Ref: AITGRAM A-				
Penghu Diesel	***************************************	,		
Nos.11,12	2x10	1995	_	Planning
Suao Coal Nos.3,4	2x750	1998-1999		Planning
Penghu Diesel	3x10	1999	_	Planning
Nos.13-15	SALU	1333		Library
Subtotal	10,820.9			
Subcocai	10,020.5			
Muclear Borner Brois	ort .			
Nuclear Power Proje	icc.			
Fourth Nuclear (Ref	. ATTOOM A_00	2)		
		1998-1999	5.83	Taiwan Authorities
Nos.1,2	2x1,000	1330-1333		
0.3-1-1-3	0.000		billion	Reviewing
Subtotal	2,000			
	** ***			
Total Addition	14,895.9			

Scheduled Retiremen	it 1,012			
Net Addition to	13,883.9			
System				

TAIPOWER POLLUTION CONTROL PROJECTS

The following pollution control projects are scheduled to be completed between December 1991 and June 1993. (Ref: AITGRAM A-002 & 89 TAIPEI 1792)

- Installation of Flue Gas Desulfurization Systems and Accompanying Electrostatic Precipitators (EP) Improvement at Hsinta Thermal Units 1 and 2 (Estimated US\$17 million, turn-key basis) -- Korea Cottrell (Korea) & Flakt Inc. (U.S.) are competing.
- EP Improvement at Hsinta Thermal Units 3 and 4 (Estimated US\$19 million, turn-key basis) -- Walther & CEI AG (West Germany), Flakt (Sweden), Lurgi (West Germany), Korea Cottrell (Korea), and Western Joy (U.S.) are bidding. Contract will be awarded in October 1990.
- Injection NH3 improvement at Shenao Thermal Units 1 3 (Capacity 75 MW) -- Tenders will be issued in 1992, estimated US\$1.2 million, turn-key.
- EP Improvement at Shenao Thermal Units 2 and 3 (No. 2 capacity is 125 MW and No. 3 capacity, 300 MW) -- Tenders issuance date will be in 1992/1993, turn-key basis, value has not been determined.
- Installation of Flue Gas Desulfurization (FGD) Systems at Taichung Thermal Unit Nos. 1 - 4 (Capacity 550MW each) -- Tender issuance date will be in December 1990, estimated US\$210 million, a portion of contract will be in turnkey basis.
- Installation of EP's at Taichung Thermal Unit Nos. 5 8 (Capacity 550MW each) -- Tender issuance date will be in March 1992, estimated US\$35 million for equipment supply only.
- Installation of Flue Gas Desulfurization (FGD) Systems at Taichung Thermal Unit Nos. 5 - 8 (Capacity 550MW each) — Tender issuance date will be in October 1992, estimated US\$240 million, a portion of contract will be on turnkey basis.
- Rebuilding of Stack at Linkou Thermal Unit 1 and 2
- Installation of EP's and Incinerators at Talin Thermal Units 3 and 4.
- Installation of EP's and Incinerators at Hsieh-Ho Thermal Units 2, 3, & 4
- Improving the Control of NOX Combustion at Existing Power Plants
- Heightening of Stacks at Tunghsiao Units 1 3
- Installation of Coal Blending and Coal Dust Control Equipment at Hsinta and Talin Coal Yards.

- Coal Ash Handling Retrofiting System and Coal Ash Ponds for Talin and Hsinta

TAIPOWER PROCUREMENT FOR FISCAL YEAR 1990 & 1991

Provided below is a list of TPC procurements and estimated budget for Fiscal Year 1990 and 1991:

	Description	Estimated Budget
	Power Distribution, Transmission & Maintenance Equipment	USD130,976,004
٠	Tunghsiao Combined Cycle No. 4, 5 Gas Turbines (Balance of Plant Equipment)	20,000,000
	Environmental Protection Equipment	479,785,607
	Taichung Nos. 1-4 Thermal Project (Balance of Plant Equipment)	6,930,000
	Taichung Nos. 5-8 Thermal Project	228,000,000
	Talin No. 6 LNG Project (Boiler, bidding (US\$50 million), High Pressure & High Temperature Piping and Hanger Support, May 1991 (US\$4.8 million), Turbine, (US\$40 million, will be negotiated with United Asia Electric Company), and Balance of Plant Equipment (US\$15 million))	109,800,000

U.S. firms interested in supplying power generation and pollution control equipment to TPC are encouraged to contact:

Mr. Shih-chi Hsi, Vice President Taiwan Power Company 242 Roosevelt Road, Sec. 3, Taipei, Taiwan Phone: (02)397-6253

Mr. Y. H. Chang, Director Supply Department Taiwan Power Company 242 Roosevelt Road, Sec. 3, Taipei, Taiwan Phone: (02)396-8951 Mr. Hsi-ching Cheng, Deputy Director Environmental Protection Department Taiwan Power Company

242 Roosevelt Road, Sec. 3, Taipei, Taiwan

Phone: (02)397-7202 FAX: 011-886-2-396-8593.

FOURTH NUCLEAR POWER PLANT

Estimated Total Cost: US\$5.82 billion, US\$4.2 billion for foreign

equipment procurement

Estimated Starting Date: January 1993 Expected Completion Date: June 1999

Date of Award: Deferred

Source of Finance: Taiwan Power Company/U.S. Export-Import Bank

Current Developments:

The Central authorities have deferred the plan to build the Fourth Nuclear Plant. Taipower originally planned to build a fourth nuclear power plant in 1985, but protests from local residents concerned about safety and environmental pollution forced Taipower and the Central authorities to delay the project.

Construction of the plant, which was originally scheduled to be completed in 1996, was repeatedly delayed due to protests from local residents at Kungliao in Ilan County concerned about safety and environmental pollution. Taipower officials continue negotiating with the residents to overcome their resistance.

In August 1990, Premier Hou and MOEA Minister Vincent Siew both placed the Fourth Nuclear Power Plant high on their priority lists and stated that the project would get underway soon after work on the Fifth Naphtha Cracker is begun.

Taipower prepared a major equipment procurement list in June 1990. Foreign equipment purchases will amount to 70 percent of the US\$5.82 billion estimated total cost. Foreign equipment procurement will mainly consist of one US\$630-million reactor and one US\$630-million turbine system. Taipower submitted on June 30, 1989, a feasibility study and an environmental assessment report to the Ministry of Economic Affairs for evaluation and approval. The Ministry of Economic Affairs is evaluating the reports. According to a Taipower official, the Ministry of Economic Affairs expects to submit these reports, at the earliest, by December 31, 1990, to the Executive Yuan for approval.

Taipower estimates that it will take nine years to build the nuclear plant. Taipower hopes to begin construction of the plant in January 1993 and expects the project to be completed in 1999. Taipower hopes to issue tenders for engineering consulting services and capital equipment purchases starting on June 1, 1991, pending project approval.

Background Information:

The proposed Fourth Nuclear Plant would have two generators of one million KW capacity each. Pacific Engineers & Constructors, Ltd. (PECL), a joint venture between Sinotech Engineering Consultants, Ltd. (Taiwan) and the Bechtel Corp. (U.S.), are interested in providing plant design and engineering, and consulting services for procurement of the turbine generators (TG) and nuclear steam supply systems (NSSS) or reactors. The TG and NSSS will be obtained from foreign suppliers. Taipower officials say that negotiations with potential suppliers will be opened once the project receives final approval from the Executive Yuan. Westinghouse, G.E., Combustion Engineering, Bechtel, and other U.S. firms are following this project very closely. The construction of the nuclear power plant is projected to cost US\$5.82 billion and will take 108 months to complete. Financial support for the project may be sought from the U.S. Export-Import Bank.

However, increased public concern and uncertainty resulted in a lengthy suspension of the project. Members of both the Control and Legislative Yuans have debated the necessity of the plant, and raised questions of cost and safety. The Atomic Energy Council and specialists of other related agencies re-examined the project and studied existing safety problems and the potential impact which nuclear plants could have on Taiwan's environment. Study results provided a basis for the decision on whether or not to go ahead with the plant's construction.

After many years of postponement, the present crisis in the Mid-East and concern for economic stability seem to be weaking opposition to the Fourth Nuclear Plant. Local sources indicate that both President Lee Tong-hui and Premier Hau Pei-tsun are backing construction of the Fourth Nuclear Plant.

A Fourth Nuclear Plant feasibility study and an environmental impact assessment submitted to the Ministry of Economic Affairs by Taipower must be further approved by the Executive Yuan and the Legislation Yuan. If these approvals are given and a budget is approved by the Legislation Yuan, then invitation to bid will be sent out. Local sources indicate that the very earliest date for invitation to bid will be Spring 1991.

Contact: Mr. Eng Lin, Vice President, Taiwan Power Company, 242 Roosevelt Road, Sec. 3, Taipei, Taiwan; Phone: (02)397-6251, Telex: 25264 TPCAPD

TAICHUNG THERMAL POWER PLANTS NOS. 1, 2, 3 & 4

Estimated Total Cost: US\$3.34 billion (including US\$510 million for

foreign equipment purchases)

Starting Date: June 1985 Expected Completion Date: June 1993

Source of Finance: Taiwan Power Company and U.S. Export-Import Bank

Current Developments:

In June 1986, the Council for Economic Planning and Development (CEPD) approved the first phase funding of US\$503 million (NT\$19 billion) to prepare the land.

The environmental impact assessment (EIA) for the power plants, prepared in accordance with the Air Pollution Control Standard of 1992 established by the Bureau of Environmental Protection, was approved in December 1986 by the Executive Yuan.

Foster Wheeler won the US\$180 million four-unit boiler contracts in December 1987. Two other U.S. firms (Combustion Engineering and Babcock & Wilcox) and one each from Canada (Combustion Engineering-Canada) and France (Stein Industries) were in the competition. Four turbine generators for the coal-fired units are being supplied by the United Asia Electric Company. This firm is a joint venture between Taipower, the Central Investment Holding Company and the General Electric Company of the United States. Content ratio for turbine generators is approximately 30 percent local and 70 percent from the United States.

Completion of plants Nos. 1, 2, 3, and 4 is now expected in June 1991, December 1991, June 1992 and December 1992 respectively.

Background Information:

The state-run Taiwan Power Company (Taipower) plans to invest around NT\$90.20 billion (US\$3.34 billion) for construction of the Taichung Thermal Power Plants Nos. 1, 2, 3, and 4. The foreign currency portion of approximately US\$1.5 billion is expected to be borrowed mainly from the U.S. Export-Import Bank and the balance from other foreign banks. The local currency portion is to be borrowed from local banks in addition to Taipower's self-provided fund. Four 550 MW coal-fired units are planned for the project at the newly developed Taichung Harbor Industrial District.

The feasibility study for this project was completed by the Gibsin Engineers, Ltd., a joint venture between Gibbs and Hill, Inc. of the United States and the Sinotech Engineering Consultants, Inc. of Taiwan.

Contact:

Mr. J. J. Hsieh, Site Manager, Taichung Construction Office, Taiwan Power Company, Taichung Harbor; Phone: (046)396-002 Ext. 257

Mr. M. S. Hsu, Director, Procurement and Contract, Gibsin Engineers, Ltd. 6th Floor, Sinotech Building, 171, Nanking E. Road, Sec. 5, Taipei, 10572 Taiwan; telex: 26350 GIBSIN, FAX: 886-2-7648658

CONVERSION OF COAL-BURNING POWER PLANTS TO NAUTRAL GAS FUELED POWER PLANTS

Project Study Cost:

NT\$5 million (US\$185,000)

Current Developments:

A project study on expansion of natural gas-driven power plants by the Taiwan Power Company began in August 1989. The study is now under going evaluation. Those firms which want the latest information on this study may contact:

Chang Si-min, President, Taiwan Power Company, 242 Roosevelt Road, Sec., Taipei, Taiwan; Phone: 393-8004; FAX: (02)396-8593; Telex: 11520

IX. TAIWAN TOBACCO AND WINE MONOPOLY BUREAU (TIWMB)

TIMMB'S TEN CONSTRUCTION PROJECTS

The AIT Commercial Unit has recently learned that the Taiwan Tobacco and Wine Monopoly Bureau (TTWMB) plans to build, expand and/or relocate some of their breweries and wineries. The TTWMB's construction plan includes ten brewery/winery projects with a total budget of approximately USD2.05 billion. Following is a list of these approved or proposed construction/expansion projects:

Project	Construction Dates	Budget (USD Million)	Annual Production Capacity
Fushing Brewery First Phase Construction	Jul 1990 - Jun 1995	461	30,000-metric-ton of malt & 360-million bottles of beer

Note: The Fushing Brewery project has been approved by the Central authorities. The installation will cost more than USD460 million for the first phase of construction, including approximately USD300 million in foreign equipment purchases. Preliminary design has been completed. TTWMB will issue bidding docucuments in September 1990.

Chengkung Brewery Expansion	Jul 1989 - Apr 1991	46.3	72-million bottles of beer
Puli Winery (Moving)	Jul 1992 - Jun 1997	444.5	84-million bottles of Shao-hsing wine
Pingtung Winery Expansion	Jul 1990 - Dec 1992	7.8	6-million bottles of Shao-hsing Wine
Taichung Winery (Moving)	Jul 1990 - Jun 1996	242.6	2.28-million bottles of Yellow Wine, 12-million bottles of Hwa-tiao Wine, & 72-million bottles of Rice Wine
Note: This proje design has been o		by the Central aut	thorities. Preliminary
Nantou Winery	Jul 1990 - Jun 1994	17	4.8 million bottles of brandy

(Continued)		Darlant (man	
Project	Construction Dates	Budget (USD Million)	Annual Production Capacity
New Winery (Proposed)	Jul 1992 - Jun 1998	333.4	7.56-million bottles of brandy
	Jul 1990 - Dec 1995 ry moving project has beeliminary design has bee		110.74-million bottles of Shen-erl Wine (medicated wine) & 209,000-hectoliters of Kao Liang Wine the Central
Lungtien Winery (Proposed)	-	74.1	24-million bottles of Shen-erl Wine (medicated wine)
Whole Rice Wine Winery Project	Jun 1989 - Jun 1993	47	120-million bottles of Whole Rice Wine
Total:		2,047	

 ${\tt U.S.}$ brewing industry firms are encouraged to contact ${\tt TTWMB}$ concerning these trade opportunities.

Director General: Shih-chin Cheng Taiwan Tobacco & Wine Monopoly Bureau 4 Nan-chang Street, Sec. 1, Taipei Phone: (02)321-4567

X. TELECOMMUNICATIONS PROJECT

DGT MODERNIZATION OF TELECOMMUNICATIONS SYSTEM

Estimated Total Cost:

Source of Finance:

NT\$144.8 billion (US\$5.4 billion)

Project Dates:

July 1989 - June 1993 Directorate General of

Telecommunications

Ministry of Communications

Current Developments:

The Directorate General of Telecommunications (DGT) plans to gradually liberalize its monopoly on telecommunication services in Taiwan. DGT submitted a privatization paln to the Ministry of Economic Affairs (MOEA) and the proposed plan will be reviewed by the Legislators in the spring session of 1991.

Although an official approval for privatization of DGT has not yet been granted, a local firm, Taiwan Telecommunication Network Services Company (TTN), recently began providing electronic transaction, remote file, and other network services in Taiwan.

DGT budgeted US\$5.4 billion to complete a modernization of telecommunications system. The Taiwan telecommunications expansion project includes the following:

DGT's 10th 4-year telecommunications development plan (1990-1993)

Expansion of the Integrated Service Digital Network (ISDN)

- an increase of digital local switches 3.2 million lines
- an increase of digital toll switches 0.27 million lines
- an increase of digital toll trunk 0.12 million circuits

Switching & Operation Supporting System Construction Plan

Item	FY1990	FY1991	FY1992	FY1993	FY1990-FY1993 Total
Switching Systems:					
Plan	904,000	772,250	772,000	774,700	3,222,950
Emergency Measures	935,000	1,309,960	1,270,2100	1,234,810	4,749,980
Increase rate (%)	3.4	69.6	64.5	59.3	47.3
Operation Supporting System:				-	
Plan	369,200	343,500	325,500	300,500	1,338,700
Emergency Measures	729,500	884,100	895,400	836,200	3,345,200
Increase rate (%)	97.6	157.4	175.1	178.3	149.9

(Continued)

Item	FY1990	FY1991	FY1992	FY1993	FY1990-FY1993 Total
No. of Subscribers					
Increased plan	294,000	272,900	261,300	246,400	1,074,600
Emergency Measures Increase rate (%)	399,500 35.8	364,400 33.5	337,900	314,300	1,416,100

This expansion of digital network will increase telephone penetration of 30.7 main lines per 100 persons. 92.1 percent of Taiwan households will have telephone service, and will have 5.5 pay stations per 1,000 persons. DGT hopes that the toll switches and toll circuits will be fully digitalized by 1998 and the inter-office trunks, local switches, and 50 percent of the subscriber loops will become digital by 2000. DGT annual investment will reach approximately US\$1.3 billion for the next three years.

Radio Paging Service

Status (As of October 1989) (Unit Pager)

Region	No. of Pager	Pending Applications
North	135,483	102,390
Central	86,500	49,000
South	102,307	33,091
Total	324,290	184,481

Note: Packet Switching Service was opened on October 31, 1984.

Radio Paging Service Construction Plan (Unit: Line)

Item	FY1989 (Base Year)	FY1990	FY1991	FY1992	FY1993
Original Pla Construction Cumulated		400,000 700,000	100,000	100,000	200,000
Modified Pla Construction Cumulated		550,000 850,000	200,000 1,050,000	pending pending	pending pending

Mobile Telephone Service

Status (As of October 1989)

Region	No. of Application	Paid for Registration	Connected	Capacity
North Central South	16,827 5,721 4,534	11,685 4,277 3,548	9,788 3,650 2,699	20,000 10,000 10,000
Total	27,082	19,510	16,137	40,000

Demand Forecasting (Unit: Subscriber)

Region	Year End 1989	Year End 1990
North Central South	18,500 6,700 5,5007	40,500 14,500 12,100
Total	30,700	67,100

Mobile Telephone Service Construction Plan (Unit: Line)

Item	FY1989 (Base Year)	FY1990	FY1991	FY1992	FY1993
Original Pl					
New Constru	action	20,000	10,000	10,000	10,000
Cumulated	40,000	60,000	70,000	80,000	90,000
Modified Pl	lan:				
New Constr	ction	30,000	40,000	pending	pending
Cumulated	40,000	70,000	110,000	pending	pending

Data Communication Services Expansion

- Packet Switching Service

Growth of Packet Switching Service

Year	1985	1986	1987	1988	1989
No. of Subscribers	117	431	679	1,051	1,621
Growth Rate (%)		268	57.5	54.8	54.2

Note: Packet Switching Service was opened on October 31, 1984.

Tzu-jung Cheng, Chief Transportation Planning Department Institute of Transportation 240 Tung Hwa N. Road, Taipei, Taiwan.

Phone: (02) 712-3121 FAX: (02)717 - 6381

TAIPEI MASS RAPID TRANSIT PROJECT (MRT & MCT SYSTEMS)

Estimated Total Cost:

Foreign Equipment Purchases:

Expected Completion Date:

Source of Financing:

US\$15 billion

US\$415 million (For Red Line)

End of 1999

The Taiwan Central authorities will

contribute 40% of the total project cost, the Taiwan Provincial authority 10.5%, and the Taipei City authority 29.5%. Sources of funding for the remaining 20% of project cost

are undetermined.

Current Developments:

A. MEDIUM CAPACITY TRANSIT SYSTEM (MCTS)

(New Zoo - Chung Hsiao E. Rd. - Sung Shan Airport)

Estimated Total Cost:

Expected Completion Date:

Source of Fiancing:

US\$271 million

December 1993 (Chung Hsiao E. Rd. - Sung Shan

Airport): July 1991 - Dec 1993)

The Taiwan Central authorities will

contribute 40% of the total project cost, the Taiwan Provincial authority 10.5%, and the Taipei City authority 29.5%. Sources of funding for the remaining 20% are being

considered.

The Taipei City authorities decided in June 1988 to purchase NT\$7.8 billion (US\$271 million) worth of MCTS equipment and services from the Matra Transport Company of France. The contract covers the purchase of 70 cars, operating systems, construction and a transfer of technology for a 12-kilometer (7.7-mile) transit system that will link the Taipei Zoo in suburban Mucha and the Sungshan airport. The system will be able to transport up to 20,000 passengers an hour. Detailed design and construction began in September 1988 and the project is targeted for completion in December 1991.

begin building relations with the Tainan project offices which will be important players and contract makers in the mid-1990s as they come to Taiwan to pursue project opportunities on the Taipei subway project (under construction), Kaohsiung subway project (feasibility study completed; selection of general engineering consultant imminent), or Taichung rapid transit project (feasibility study now underway).

TAICHUNG MASS RAPID TRANSIT PROJECT AND OTHER FUTURE MRT PROJECTS IN, TACYUAN, HSINCHU AND CHIAYI

The Taiwan Housing and Urban Development Bureau (THUDB) Road Department Director Chou Tsao-sheng and Assistant Engineer Kuo Yann-liang informed AIT Commercial Unit that in March 1990, THUDB awarded the Taichung Mass Rapid Transit Project preliminary study contract to the China Engineering Consultants, Inc. (CECI). CECI will complete the Taichung MRT preliminary study by June 1992 with the assistance of Gannett Fleming West, Inc. of Los Angeles, CA.

AIT also learned from Dr. Hou Ho-shong, Chief, Transportation Engineering Department, Institute of Transportation (IOT), Ministry of Communications, that IOT have prepared outlines for preliminary studies of the municipal MRT systems in Chaiyi, Taoyuan and Hsinchu cities. These municipal MRT preliminary studies are scheduled to be completed by September 1992.

Contacts for the Taichung Mass Rapid Transit Project:

Chou Tsao-sheng, Director

Assistant Engineer Kuo Yann-liang

Road Department

Taiwan Housing and Urban Development Bureau (THUDB)

4/F, 342 Pa-teh Road, Section 2, Taipei, Taiwan

Phone: (02) 781-9462

FAX: (02) 771-9220

Shieh Dah-yung, Project Manager Traffic and Transportation China Engineering Consultants, Inc. 185 Hsin-hai Road, Section 2 Taipei, Taiwan

Phone: (02) 736-3567

FAX: (02) 736-3692

The Taoyuan, Hsinchu, and Chiayi MRT projects are still in the conceptual stage. Contact for Taoyuan, Hsinchu and Chiayi MRT projects:

In order to match the planned start-up of a west coast high-speed railway system in the year 2000, the Tainan MRT project is scheduled to complete some short-term construction by the year 2000. The proposed time schedule is indicated below:

1990	Completion of feasibility study
1991	General design work performed by the Taiwan Provincial Housing
	and Urban Development Department
1992-1994	Urban planning and joining adjustments
1993	Establishment of Tainan MRT preparatory office to oversee the
	project
1994-1995	Basic design work
1994-1996	Detailed design work
1994-1997	Allocate project funds
1995-1999	Necessary land acquisitions
1996-2000	Evaluating long-term construction
2000	Begin operation of short-term routes
2000	Begin long-term construction

For further information, interested U.S. firms are encouraged to contact the following individuals:

Mr. Wu Cher-Yuan, Director (or Mr. Wang Chao-sheng, Section Chief) Taiwan Provincial Housing and Urban Development Department 342, Pa Teh Road, Section 2

Taipei, Taiwan Tel: 886-2-773-1212 Fax: 886-2-772-8503

Mr. Cheng Tzu-Jung Chief, Transportation Planning Division Institute of Transportation Ministry of Communications 240, Tun Hua N. Road Taipei, Taiwan

Tel: 886-2-712-3121 Fax: 886-2-717-6381

AIT/Kaohsiung has obtained single copies of the April 1990 "Tainan Metropolitan Mass Rapid Transit Feasibility Research Preliminary Report" (70 pages) and the June 1990 "Tainan Metropolitan Mass Rapid Transit Feasibility Research Final Report" (250 pages). Both reports are entirely in Chinese. American firms and their representatives are welcome to examine these reports at the AIT/Kaohsiung office. Call the AIT/Kaohsiung economic/commercial section (886-7-224-0154) for an appointment.

The Tainan project may seem years away, but indeed there are more transportation projects planned for Taiwan than just the Taipei subway construction now under construction. American business persons may wish to VADM (Ret) Chu Re-ching Director Kachsiung Harbor Bureau 62, Lin Hai 2nd Road Kachsiung, Taiwan TEL: (07) 562-2400 FAX: (07) 561-1694 Mr. Chuang Ming-Tze (surname: Chuang) Engineering Section Chief Kachsiung Harbor Bureau 62, Lin Hai 2nd rd., Kachsiung, Taiwan TEL: 886-7-561-2311 FAX: 886-7-561-1694

MEDIUM RAPID TRANSIT SYSTEM IN TAINAN, SOUTHERN TAIWAN

Taiwan's Ministry of Communications (MOC) and the Taiwan Provincial Housing and Urban Development Department recently have concluded that Tainan City should follow Taipei, Kaohsiung and Taichung in priority to establish a rapid transit system. National Cheng Kung University (NCKU) and the Institute of Transportation (IOT) of the MOC have completed a feasibility study. The envisioned USD 2.7 billion project may offer long-term services and specialized equipment export opportunities to U.S. firms.

Tainan city is southern Taiwan's second largest city with a population of approximately 680,000. Tainan is located about 40 kilometers north of Kaohsiung. In a preliminary plan, completed in April 1990 and submitted to the MOC in May 1990, NCKU and the IOT proposed that the Tainan Mass Rapid Transit (MRT) System be constructed to serve the Tainan metropolitan area, which includes Tainan city; six villages, Yungkang, Jente, Anding, Hsikang, Chiku, and Hsinshi in Tainan County; and two villages, Chiading and Hunei, in Kaohsiung county. The population of the Tainan metropolitan area in 1989 was over 1 million, and is projected to reach 1.57 million by the year 2020.

The feasibility study indicated that the Tainan MRT should start with three lines with a total length of 30 kilometers in order to meet basic demands by the year 2020. Long term design will construct a loop route in downtown Tainan city to connect the city with the eight villages in Tainan county and Kaohsiung county. The study also recommended that the Tainan MRT adopt either the Advanced Light Rail Transit System or the Light Rail Rapid Transit System.

The two yellow lines, totaling 19.26 kilometers, are designed along north to south routes. The yellow lines consist of 12.9 kilometers of elevated system and 6.36 kilometers of underground system. The 10.74-kilometer green route runs from east to west and will be constructed entirely underground. Among the three lines, there will be 28 stations, including 2 transfer stations.

The initial estimated project cost is NT\$72.5 billion, or US\$2.7 billion (US\$ 1:NT\$27 in August 1990). Budget costs are expected to be shared by central authorities, the Tainan city government, and the Tainan county and Kaohsiung county governments.

Tang Eng Iron Works, Company, Ltd. 458 Hsinhsing Road, Hukou, Hsinchu

Phone: (035) 981-721 Telex: 31475 TEMACH Fax: 886-35-981-646

Contacts:

Mr. Ou Chin-der, Director General, Taiwan Area National Freeway Engineering Bureau, Ministry of Communications, 285 Chien Kuo S. Road, Sec. 1, Taipei, Taiwan; Phone: (02)784-9548

Dr. Ho-shong Hou, Chief, Transportation Engineering Department, Institute of Transportation, Ministry of Communication, 240 Tunhua N. Road, Taipei, Taiwan; Phone: (02)712-3121; FAX: 886-2-717-6381

FIFTH CONTAINER TERMINAL PROJECT IN KAOHSIUNG

Estimated total Cost:

NT\$10.6 billion (US\$392.6 million)

Construction Date:

October, 1990

Source of Finance:

Taiwan Provincial Department of Communications

and Kaohsiung Harbor Bureau

Current Development:

The Taiwan Provincial Department of Communications and Kaohsiung Harbor Bureau (KHB) have agreed to allocate NT\$10.6 billion (US\$392.6 million) for construction of the fifth container terminal in the Ta Jen Commercial Harbor area of Kaohsiung Harbor, southern Taiwan. A local engineering consultant is conducting detailed planning. The fifth container terminal, with a total quay length of 2,640 meters, is designed for eight berths. Annual handling capacity is estimated to be 1,500,000 containers. The 2-hectare container yard will be capable of storing 25,000-TEU containers.

Construction is scheduled to start in October 1990 with completion in 1998. Approximately USD 111 million will be spent for purchasing equipment including 15 gantry cranes, 28 transtainers, forklifts and containers.

Through the assistance of Taiwan's Central Trust Corporation, KHB in the third quarter of 1991 will arrange for either local or international bidding to procure these items. KHB welcomes qualified American firms which have experience in manufacturing 15 or more gantry cranes to participate in the bidding.

Interested U.S. firms are encouraged to contact directly the following KHB official for further information:

Sinotech Engineering Consultant, Inc.

15/F, 171 Nanking E. Road, Sec. 5, Taipei, Taiwan

Phone: (02)769-2131 Cable: SINOTECH TAIPEI Telex: 11701 SINOTECH Fax: 886-2-765-5010

China Engineering Consultant, Inc.

7/F, 280 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan

Phone: (02) 781-4151 Cable: CONSULTS TAIPEI Telex: 22435 CECI Fax: 886-2-751-4907

Ret-Ser Engineering Agency

Vocational Assistance Commission for Retired Servicemen (VACRS)

207 Sungchiang Road, Taipei, Taiwan

Phone: (02)503-2233 Cable: RSEA TAIPEI

Telex: 21531 RSEA TAIPEI Fax: 886-2-503-2968

BES Engineering Corporation

3F-7F, 320 Chunghsiao E. Road, Sec. 1, Taipei, Taiwan

Phone: (02)752-1111 Cable: BESCO TAIPEI Telex: 21985 BESCO Fax: 886-2-731-4901

Continental Engineering Corporation

11/F, Continental Building

280 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan

Phone: (02)751-2233
Cable: "CONTIENCN" TAIPEI
Telex: 23480 CONTICOM
Fax: 886-2-731-4189

New Asia Construction & Development Corporation

Hwa Hsin Building

3/F, 219-224 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan

Phone: (02)771-5970
Cable: NEWASIACON TAIPEI
Telex: 23265 NACDC TAIPEI
Fax: 886-2-777-5751

Pan Asia Corporation

7F, 219 Chunghsiao E. Road, Sec. 4, Taipei, Taiwan

Phone: (02)771-7417 Fax: 886-2-721-9148

XI. TRANSPORTATION PROJECTS

A SECOND FREEWAY IN CENTRAL AND SOUTHERN TAIWAN

Estimated Total Cost:

NT\$445.5 billion

(US\$16.5 billion)

Project Study Cost:

NT\$100 million

(US\$3.7 million)

Projected Construction Time: July 1989 - June 1998

Current Developments:

The Executive Yuan approved the implementation of the project in July 1989. The Taiwan Area National Freeway Engineering Bureau (TANEEB) with the assistance of the China Engineering Consultant, Inc. is conducting a detailed design for the Second Freeway in Central and Southern Taiwan. The 410-kilometer freeway will begin from Chunan and end at Linpien in Southern Taiwan. According to TANEEB, the project detailed design will be completed in March 1991 and no foreign consultant service will be required. Construction tenders will be issued in July 1991 to local contractors.

There will be limited foreign equipment procurement for construction of roads and tunnels, signaling and communication and control systems. These purchases will be made by the contractors. The value of these foreign equipment procurements have not been released. American equipment manufacturers who are interested in this opportunity should present relevant information, including catalogs and literature to the Taiwan Area National Freeway Bureau (TANFB), who will then pass this information to the local contractors.

Background Information:

This project is an extension of the 129-kilometer Second Freeway in Northern Taiwan Project. A 129-kilometer Second Freeway in Northern Taiwan started construction in July 1986 and is scheduled for completion in December 1994. Delay in completion of the 129-kilometer Second Freeway in Northern Taiwan is due to a problem of land acquisition.

The Taiwan Area National Freeway Engineering Bureau, Ministry of Communications, with the assistance of U.S. firm T. Y. Lin Engineering Company; the Sinotech Engineering Consultants, Inc.; the China Engineering Consultants, Inc.; and Moh & Associates, Inc. completed a preliminary and detailed design for the 129-kilometer Second Freeway in Northern Taiwan. The 129-kilometer freeway begins at Keelung and ends at the Hsinchu Science Park. There are about ten local firms involved in construction of the Second Freeway in Northern Taiwan. These major civil construction firms are:

- AT&T Taiwan Telecommunications, Inc. is a joint venture of AT&T (U.S.) and three Taiwan organizations -- the Directorate General of Telecommunications (DGT), the Bank of Communications and the Yao-hua Glass Company;
- Taiwan International Standard Electronics Ltd. (TAISEL) is a 60-40 joint venture between Alcatel/ITT and DGT; and
- GTE Taiwan Communications Systems Ltd. is a joint venture of Siemens/GTE with 55 percent, DGT with 15 percent, and two local firms with shares of 25 percent and 5 percent respectively. This firm is known as TAICOM.

Currently, DGT's policy is to have only three systems in its digital network project, namely AT&T, TAISEL & TAICOM.

In addition to the purchase of 900,000 lines of digital switching systems in 1990, DGT plans to procure another 2,300,000 lines of trailer-type digital switching systems through the year 2000.

Under DGT's Integrated Service Digital Network (ISDN) project, toll switches, telephones, circuits, and inter-city exchange equipment will all become digital by the end of the century. Following is a timetable for the ISDN project:

- -- By 1995, 92 percent of the toll telephone exchange equipment will be digitalized. Digitalization of the entire toll system will be completed by 1998.
- -- By 1995, 75 percent of the inter-toll circuits will be digitalized, and complete digitalization is set for the year 2000.
- -- Intra-city exchange equipment will be 100 percent digitalized 2000.
- -- About 43 percent of subscriber telephone networks will be digitalized by June 1992..
- -- Digital telephone services were offered in 1989.

Contact: Mr. Lee Ping-yao, Director General, Directorate General of Telecommunications, 31 Aikuo E. Road, Taipei; Phone: (02)344-3601; FAX: 886-2-397-2254

Supply & Demand Forecast of Packet Switching Service

Year	1990	1991	1992	1993	1994
No. of Subscribers Growth Rate (%)	3,200 97.4	4,500 40.6	6,000 33.3	7,800 30.0	10,000 28.2
No. of Ports in Total	3,200	5,220	7,220	9,220	11,2120

- Note: 1. No pending application currently
 - Second Packet Switching System in service since January 1988

Videotex Service

Status

Access Type

Fiscal Year	Dial Up	Leased Line	Total
1988	2,282		2,282
1989	8,493	1,299	9,792

- Note: 1. Service opened on August 1, 1987
 - 2. Leased line access opened on July, 1988

Forecast and Construction Plan of Videotex Service

Fiscal Dial U	Leased Line	Total	Total	Construction Plan
Year Demand	Demand	No. of Sub	Growth Rate (%) No. of Ports
FY1990 18,50 FY1991 378,00 FY1992 67,00 FY1993 130,00 FY1994 270,00	8,000 13,000 20,000	22,500 45,000 80,000 150,000 300,000	130 100 78 88 100	7,500 150,000 25,000 40,000 60,000

Note: Dail up subscriber : port = 3:1

It will be 6:1 in October 1991

Background Information:

In the past, DGT purchases of digital telecommunication equipment were split into north, central, and south districts of Taiwan and divided among three U.S. firms, GTE, ITT and AT&T, respectively. ITT formed a joint venture with French firm Alcatel and GTE was joint ventured with German firm Siemens. The three U.S. firms also have joint investments with local firms in Taiwan:

B. TAIPEI MRT SYSTEMS:

The Taipei MRT involves the design and construction of an urban and suburban subway system with a total route length of 95.7 kilometers (73.4 kilometers for three city lines, and a 22.3 kilometer suburban line). In March 1986, the Taiwan Cabinet approved the main portion of the Taipei MRT Phase Two project, including four lines with a length of 70.3 kilometers at an estimated cost of NT\$154,862 million (US\$4,075 million). The Cabinet has approved and budgeted over NT\$55.4 billion (US\$2.05 billion) for construction of the Tamsui-Taipei-Hsintien route (red line), including civil engineering costs of NT\$28 billion (US\$1.04 million). Approximately NT\$16.6 billion (US\$615 million) has been budgeted for procurement of rapid transit or light rail rolling stock, car chassis, maintenance machinery, rapid transit signalling and communication equipment, power systems equipment, ventilation and air conditioning equipment, automatic ticketing machines, elevators and escalators, as well as tunneling and other heavy construction equipment. Funding for the project is expected to come from a variety of sources including export credits (US\$521 million) and government bond issues (US\$633 million) with the remainder provided by the budgets of various Taiwan authorities -- Central authorities (50 percent), Taipei city (40 percent), and provincial (10 percent).

In November 1986, a general consultancy for the medium capacity transit system (MCTS) was awarded to Daniel, Mann, Johnson & Mendenhall. System specification proposals were completed in April 1987.

BMTC completed specifications for a test line from Peitou to New Peitou as well as key work yards. In November 1986, the Taipei City authorities announced their decision to start building the Tamsui to Taipei Central Station segment (a part of the red line) and the medium capacity transit portion (the MCT brown line) from the New Zoo to Chung-hsiao E. Road. Work began in July 1987. Construction work will separately begin from the outskirts of Tamsui and the New Zoo towards the center of the city. As the construction nears completion at Chung-hsiao E. Road, the blue line from Taipei Central Station to Hsin-yi Planning District will be connected to the red and brown lines. This project will connect with the underground portion of Phase One at the Central Station.

On March 23, 1989, DORTS renewed their contract with American Transit Consultant (ATC), general engineering consultant, for the Taipei MRT Project. The amount of the new two-year contract is NT\$3 billion or approximately US\$108.7 million. DORTS has expressed great satisfaction with the services and cooperation which ATC provided under their first two-year contract. If ATC continues their excellent performance, DORTS may employ their services for ten or more years.

U.S. firms have won many sizeable contracts for design of sections of the MRT routes. DeLeuw-Cather and D.M.J.M. won two of the four engineering contracts for the Taipei-Hsintien MRT Route. The budget for Project No. 159, assigned to DeLeuw-Cather, is reported to be US\$12.2 million and the budget for Project No. 161, awarded to DMJM, is reported to be US\$5 million. The Swiss firm

Electrowatt and the French firm Sofretu were assigned contracts as well but they are reported to be smaller than those assigned to DeLeuw-Cather and DMJM.

With the award of the first 132 MRT railcars to United Railcar Partnership, DORTS is now turning its attention to subsequent MRT railcar purchases. AIT has heard from local sources that DORTS is not favorably disposed to continue the policy of reserving future MRT railcar purchases for U.S. firms. DORTS still needs over 500 railcars to complete its program with each rail car budgeted at between US\$1 to 1.5 million. DORTS' present plans call for 66 railcars in 1990.

There is a strong sentiment in DORTS to award contracts for the Chung-ho and Panchiao MRT lines on a turnkey basis. This decision was made in order to cut cost and construction time. The turnkey contracts for the 8 kilometer Chung-ho Line and the 5.4 kilometer Panchiao line will included design and construction, but will not include rolling stock, signalling equipment, traction power supply, or automatic fare collection equipment. DORTS plans to release the tender for the Chung-ho line in the near future. However, the tender issuance date has not yet been determined. The budget for this turnkey contract will be approximately US\$1 billion. If the turnkey contracts for the Chung-ho and Panchiao lines are awarded to a non-U.S. firm, there will be little chance for U.S. firms to participate in detailed design or to supply communication systems, depot equipment, station and tunnelling services, etc. U.S. firms DeLeuw Cather, DMJM, and T. Y. Lin won several detailed design contracts on the Tamsui and Hsintien lines.

The date for detailed design bid of the blue-line submission is scheduled for July 1991. Construction is expected to begin in January 1994 and to be completed in June 1999 for the Sungshan to Panchiao (blue line) route. Detailed design for the Roosevelt - Chungho (orange line) segment is expected to start in March 1992 and is scheduled to be finished in September 1994. Construction for the orange line is expected to start in May 1994. The projected completion date is in June 1999.

The following is an estimated bidding timetable and contact awards for the Taipei MRT-equipment contracts:

Contract	Tender Issuance		Award Contract	Expected Participants	Budget
301 Vehicles		3/2/89 Selection PQ firms: 5	**	URC USTIG Breda-Hitachi	132 cars, *NT\$5,891 million (Sole source from U.S.)
** This contract awa	rded to U	RC (US\$170	million)		223 0101,
302 Signalling	9/5/89	10/11/89	**	GRS Safe Tran Transcontrol Union Switch	*NT\$2,103 million (Sole source from U.S.)

(Continued)	m				
Contract	Tender Issuance	Receive Proposals	Award Contract	Expected Participants	Budget
C303 Traction Power Supply Systems for Tamsui & Hsintien	10/11/89	2/9/90	7/30/90 **	Prime contrac- tor must be a local firm. U.S. firms, Westinghouse, General Electri & Babcock-Wilco can supply rectifiers and transformer	OX.
** C303 contract was (US\$78.5 million (NT			and the I	BES Engineering	Corporation
304 (Number Voided)					
305 Communication System	5/15/89	9/1/89	11/02/89 **	U.S.firms: GTE-Hawaii Tel French firms: Jeumonr-Schneid W. German: Sien Hong Kong:	nens
** Cable and Wireless	s won this	s contract	with a b	Cable and Wirel id of NT\$679 mil	
306 A-B Escalators/ Elevators	2/13/89	5/23/89	7/15/89 **	Otis &	*NT\$1,303 million (for escalators) *NT\$381 million (for elevators)
				Japanese: Mitsubishi Hitachi	
** 306A (escalators) ** 306B (elevators)				NIM (NT\$558 mil	
307 Automatic Fare Collection (AFC) ** French firm CGA-H			6/14/89	Cubic Western General Farebox	*NT\$562 million (for Tamsui- Main Station Line) *NT\$300 million (for MCTS Main Station-Hsintien
US\$27.4 million. placed second at US\$43.9 million.	Cubic Wes	stern Lion and		French:	Line) *NT\$287 million (for MCTS Mucha- Sungshan Line)

(Continued)					
Contract	Tender Issuance			Expected Participants Budget	
308 Environmental Control Systems	11/9/90			Local contractor is prime.	
309A Depot Equipment	10/1990			Siemens *NT\$907 million (W. Germany) Thyssum (W. Germany) Vickers (U.K.)	
309B Locomotives (Service locomotives)	3/1991			GE (U.S.) *NT\$296 million Other European & Japanese firms	
309C Flat Cars	8/1991			Local contrac- *NT\$170 million tor will be prime	
309D Support Equipment	1/1991			out hazz po prano	
310 Station and Tunneling Services	1990 or 1991			Prime contractor must be a local contractor. U.S. firm: Commercial Intertech & Delco interested	
501 Trackwork	9/5/89	10/20/89	12/31/89	Tang Eng Iron Works is	

Notes:

Conversion rate for US\$1 equals NT\$27.

** Contract awards.

Contract

Background Information:

The Taipei Mass Rapid Transit (MRT) Project consists of two phases. The first phase of the project involves upgrading and submerging a portion of the existing railroad trunkline from Hwa Shan to Wan Hwa, and rebuilding the Taipei Railroad Station, with four stories underground and six stories above ground. The new station will become the central point of the future rapid transit network. Work on the first phase began in 1983 and was completed in August 1989. A West German firm was awarded the final design contract for part of MRT Phase One — the placing of a segment of the existing railroad trunk line underground. Bechtel

** A French firm, Travaux Du Sud-Ouest, won this bid at NTD 2.99 billion.

** prime contractor.

Corporation won the contract for the final design of the most complicated part of the four-story underground segment of the new central station. Ericsson Signal, A.B. of Sweden as awarded the contract for the central terminal's signaling equipment. In December 1986, Otis won the bid for 44 escalators and a Swiss firm was awarded the bid for 21 elevators. Seven automatic ticketing machines were purchased from Japan. Equipment purchases for the new station's telecommunications systems, environmental control systems and MRT workshop machinery were sourced abroad.

Contact: Mr. George S. Y. Chen, Deputy Director General, Department of Rapid Transit Systems (DORTS), City of Taipei, 10/F, 746 Ming-shen E. Road, Taipei, Taiwan; Phone: (02)713-6724

TATPET HWASHAN-SUNGSHAN UNDERGROUND RAILWAY EXTENSION

Estimated Total Cost:

NT\$21,489 million

(US\$826.5 million)

Projected Construction Time: July 1988 - June 1993

Current Developments:

Deutsche Eisenbahn Corporation (DEC) prepared the project study. DEC will also review the project's electric mechanical system design. Project detailed design was completed by the China Engineering Consultants, Inc. The tunnel will have two sets of double rails. The BES Engineering Corporation and the Ret-Ser Engineering Agency, Vocational Assistance Commission for Retired Servicemen, are responsible for construction of the 5.33 kilometers tunnel from Hwashan to Sungshan. The imported equipment for this project will be compatible to the existing system of the underground portion from Wanhwa to Hwashan. The imported equipment budget has not been released. The purchase value will be much smaller than the previous purchases.

Contact: Mr. Chuen-ming Hsueh, Section Chief, Taipei Railway Underground Project Office, Ministry of Communications; Phone: (02)314-8513

KACHSTUNG MASS RAPID TRANSIT SYSTEM

Estimated Total Cost: Project Study Cost:

US\$7.1 billion

NT\$91.5 million (US\$3.5 million)

Projected Selection of

General Consultant:

Pending

Projected Construction Time: Pending Source of Finance:

Central & Kaohsiung City Authorities

Current Developments:

Establishment of the Kaohsiung Municipal authorities' new Department of Mass Rapid Transit was approved by the Executive Yuan on March 5, 1990. Public Works Bureau Deputy Director S. C. Huang has been appointed as the director of the new department. The KMRT project will likely be funded in stages, with only two of the proposed four lines being approved in the first stage. Local and central authority officials are still discussing the apportionment of project expenses among Kaohsiung city, Taiwan Province, and Central authorities. Some foreign financing may be sought.

The Department of Kaohsiung Mass Rapid Transit, Preparatory Office announced on May 29 the short-listing of the following three international consortia, all with US participants, to present technical proposals for consideration as general engineering consultants for the US\$7 billion Kaohsiung Mass Rapid Transit (KMRT) project in southern Taiwan:

- Bechtel (US); Deutsche Eisenbahn Consult (West Germany) and associated West German companies; ILE Consulting Engineers - Geoconsult (Austria); and Ove rup and Partners and Associated companies (UK)
- De Leuw, Cather (US); Parsons Brinckerhoff (US); Electrowatt (Switzerland); Dames & Moore (US); KCOT (US); and Transurb (Belgium); and
- Louis Berger International/ABAM Engineers (US); T.K. DYER/HNTB (US); and LS Transit Systems/SCFRETU (France) - doing business as Transit Engineering Associates

The new KMRT office name and contact information are:
Kaohsiung Municipal Government
Department of Kaohsiung Mass Rapid Transit, Preparatory Office
4th Fl., 235, Chung Cheng 4th Road,
Kaohsiung, Taiwan
Phone: 886-7-211-9009

FAX: 886-7-272-3661 Attn: S. C. Huang

Background Information:

Louis Berger International, T. K. Dyer, and LS Transit Systems were commissioned by the Kaohsiung City authorities to do a Kaohsiung Mass Rapid Transit (KMRT) study in August 1988 that was completed in November 1989. The six-volume draft set of project final reports proposed the US\$7.1 billion KMRT system. A summary of the set of the KMRT final reports and explanation on how interested U.S. firms may examine these reports are provided below. Significant trade opportunities for U.S. services and equipment will occur if the project receives final approval by Taiwan's Central Authorities.

KMRT: The Final Kaohsiung MRT Report (Six Volumes)

Summary Fact Sheet

Basic Network:

A modern, state-of-the-art, 77.7 km MRT system consisting of four independent lines and 71 stations. The MRT system will be fully integrated with the local bus systems and TRA Railway services. The design of the system will

incorporate access facilities for pedestrians, automobiles, motor scooters, and bicycles.

Line Descriptions:

Red Line: Chiao Tou - Ta Ping Ting Orange Line: Yen Chen - Feng Shan City

Blue Line: Tso Ying - [Kaohsiung] Export Processing Zone

Brown Line: Yen Chen - Chen Ching Lake

System Configuration:	Length of line (km)	Number of stations
Red Line:	30.9	23
Orange Line:	10.8	14
Blue Line:	21.6	19
Brown Line: Total	14.4 77.7	<u>15</u>
Basic Construction:	Lines km pct	Stations no pct
Above Ground	15.1 22	14 20

Below Ground 49.2 78 57 80

Maj	or	Su	pp	or	t	
	Fac					

The recommended system includes a central vehicle storage and maintenance facility, three satellite storage and inspection facilities, and an administration/control center building.

Daily MRT	2000:	1,098,000
Passenger Volumes:	2010:	1,481,000
-	2020:	1,855,000

Vehicles:

The vehicle fleet will consist of 382 vehicles, including 15 pct spares. Vehicles will be either married pairs (2-car sets) or triplets (3-car sets). Each car will have a design capacity of 200-250 passengers. All vehicles will be air-conditioned. Each train will have an attendant on-board, although the technology makes this optional.

Stations:

All station platforms will be 150 meters in length to accommodate future requirements of up to 8-car train sets. Center platform stations will be used wherever possible. Passenger amenities will include automatic fare collection equipment, escalators, elevators, and air-conditioning in the below ground stations. A station attendant will be available in each station.

Project Schedule:

Phase I: Opens all of the Orange Line and nearly all of the Red Line between 1995-1997.

Phase II: Opens all of the Blue Line and nearly all of Brown Line between 1998-2000.

Phase III: Extensions to the Red and Brown Lines after the year 2000.

MRT Capital Cost:	NT\$ Billions	(1989 \$)
Phase I:	97.029	
Phase II:	68.360	
Phase III:	18.166	
Total	183.555	

MRT Operating/Maintenance Costs: NT\$ Millions (1989 \$)

1996	1,140
1998	2,616
2000	3,606
2010	5,026
2020	5,827

Project Financing: It was assumed that the Central Government will fund 70 pct of the initial capital costs for the project, with the balance coming from local government sources. A local government subsidy will be required to fund a portion of the operating and maintenance costs, and depreciated capital costs.

Management of the System: Operation of the MRT System and the Kaohsiung (City) Bus System should be managed by a new semi-autonomous public agency governed by an appointed Board of Directors.

The remaining five draft volumes of the feasibility study phase final report are summarized below.

Volume One: Planning and Feasibility

Subjects Covered:

Introduction

Land Use and Development

Socio-Economic Characteristics

Environmental Description and Considerations

Alternative Networks

Travel Demand Forecasts and MRT Ridership

Available Technologies

Estimation of Capital and Operating Costs

Economic and Financial Analysis

Evaluation of Alternatives

Conclusions and Recommendations

Description of Recommended MRT System

Volume Two: Engineering and Operations (Length: 254 Pages)

Subjects Covered:

Introduction

Route Location and Track Alignments

Geotechnical Analysis

Civil Works

Stations and Intermodal Transfer Infrastructure

MRT Operations

Volume Three: Implementation and Management

Subjects Covered:

Introduction

MRT Policies and Legal Authority

MRT Internal Organization and Management

MRT Project Implementation

Joint Development Planning

Financial Plan

Volume Four: Integrated Bus/MRT System

Subjects Covered:

Introduction

Existing Conditions

Bus-MRT Service Goals

Short Term Measures

Medium and Long Term Networks

Medium and Long Term Recommendations

Financial Analysis

Volume Five: Engineering Drawings

Subjects Covered:
Alignment and Profile
Stations
General Engineering
Geotechnical

Availability of Final Reports for Inspection by U.S. Firms

Full sets of the feasibility study phase final reports may be examined by U.S. firms and their representatives at the American Institute in Taiwan's Kaohsiung Branch Office in Kaohsiung and at the American Trade Center in Taipei. Calling ahead for an appointment is strongly suggested. Addresses, telephone and fax numbers are:

American Institute in Taiwan
Kachsiung Branch Office
3rd Floor, Number 2,
Chung Cheng 3rd Road
Kachsiung, Taiwan
Phone: 886-7-224-0154
FAX: 886-7-223-8237
(ask for commercial section)

American Institute in Taiwan
American Trade Center
Room 3207, 32nd Floor
333, Keelung Road, Section 1
Taipei, Taiwan 10548
Phone: 886-2-720-1550
FAX: 886-2-757-7162
(ask for Major Projects
Group)

AIT/Kaohsiung has forwarded complete photocopies of the 60-page final report summary volume to the following two Washington-area addressees:

U.S. Department of Commerce ATTN: Mr. Jay L. Smith

International Trade Specialist Office of International Major Projects HCHB Room 2011

Washington, D.C. 20230 Phone: 202-377-4642 FAX: 202-377-3954

American Institute in Taiwan Washington Office

ATTN: Mr. Raymond J. Sander

Director, Trade and Commercial Programs Room 1705, 1700 North Moore Street

Arlington, VA 22209 Phone: 703-525-8474 FAX: 703-841-1385

Contacts:

Kaohsiung Municipal Government

Department of Kaohsiung Mass Rapid Transit, Preparatory Office

4th Fl., 235, Chung Cheng 4th Road,

Kaohsiung, Taiwan

Phone: 886-7-211-9009 FAX: 886-7-272-3661

(Mr. Sun Chia-Yang is the Chief Engineer on the KMRT Planning Project team;

his deputy is Mr. Alex Cheng.)

Transit Engineering Associatesc.

ATTN: Mr. Rudy DeMarteleare, Project Manager

6/F, 1025 Yu Cheng Road

Kaohsiung, Taiwan

Phone: 886-7-585-2865 FAX: 886-7-581-1679

Ref: 90 AITGRAM A-002, 89 TAIPEI 7921 and previous

TAIPEI-ILAN NATIONAL FREEWAY

Estimated Total Cost:

NT\$50 billion

(US\$1.85 billion)

Project Study Cost:

NT\$42 million (US\$1.6 million)

Project Construction Dates: December 1990 - June 1998

Source of Finance: Ministry of Communications

Current Developments:

The Executive Yuan approved the Taipei-Ilan National Freeway linking Nankang in eastern Taipei and Suao in Ilan County, northeastern Taiwan. DeLeuw Cather International Limited, an American firm, completed the feasibility study and basic design for the project. Parsons Brinckerhoff Consulting Engineers along with Electro Watt (a Swiss firm) are conducting the basic design which is scheduled to be completed in June 1991. Tenders for detailed design will be issued in July 1991 to local consultants associated with experienced foreign

engineering consulting firms. Ret-Ser Engineering Agency, Vocational Assistance Commission for Retired Servicemen (VACRS) will be prime for civil construction. Construction will commence in July 1992 and will be scheduled for completion in June 1998. A limited opportunity for U.S. engineering firms will be available for tunnel construction and foreign equipment purchases.

The recommended route measures 40 kilometers, including a total length of 18-kilometer tunnels. The estimated US\$1.4 billion tunnel freeway will reduce commuting time between Taipei and Ilan from two hours to forty-five minutes when it is completed. Traffic experts suggest that the Taiwan authorities should install an automatic ventilation system in the tunnel to prevent an accumulation of carbon monoxide. They also suggested that the Taiwan authorities set up automatic traffic signals outside the tunnel and television monitors inside to track the traffic flow.

Contacts:

Shih Chung-kuang, Director, Taiwan Area National Freeway Bureau, P. O. Box 75, Hsinchuang, Taipei, Taiwan; Phone: (02)909-6141

Chia-juch Chang, Director, Institute of Transportation, Ministry of Communications, 240 Tung-hwa North Road, Taipei, Taiwan; Phone: (02)715-5367

NEW DEEP-WATER HARBOR IN TAIWAN

Estimated Total Cost:

NT\$320 billion

(US\$11.9 billion) NT\$9.5 million

Project Study Cost:

(US\$352,000)

Request for detailed Design:

July 1991

Projected Construction Dates: Phase I: July 1993 - June 2003

Phase II: July 2003 - June 2011

Current Developments:

In June 1990, Sogreah and Becom (France) completed a deep-water port feasibility study for the ports of Keelung, Taichung, Tamsui, Wai-san-ting, and Kaohsiung. The feasibility study recommended the new deep-water harbor to be built in Kachsiung. A basic design had also been completed by the China Engineering Consultants, Inc. (CECI). The Ministry of Economic Affairs is reviewing the project study. CECI may be selected to do the preliminary design after the design is approved by the Taiwan authorities. Tenders for the project detailed design are expected to be issued in July 1991 to international firms. The selected firm will have six months to conduct the project detailed design. Construction of the new deep water harbor will be in two stages: Phase I construction will begin in July 1993 and Phase II construction will commence in July 2003.

U.S. firms are encouraged to contact Dr. Ho-shong Hou, Chief, Transportation Engineering Department, Institute of Transportation, Ministry of Communications. U.S. firms stand a good chance to win some of the detailed engineering service, harbor construction, and foreign equipment purchase contracts.

A deep water harbor construction committee and a deep water harbor engineering department will be established by the Ministry of Communications when the project is approved, according to the Institute of Transportation (IOT).

Contacts:

Ho-shong Hou, Chief, Transportation Engineering Department, Institute of Transportation, Ministry of Communications, 240 Tung-hwa North Road, Taipei, Taiwan; Phone: (02)712-3121

Y. S. Hsu, Harbor Project Manager, China Engineering Consultants, Inc. (CECI), 7/F, 280 Chunghsiao E. Road, Taipei, Taiwan; Phone: (02)736-3567

WEST COAST CORRIDOR HIGH-SPEED RAILWAY

Estimated Total Cost: NT\$279.2 billion (US\$10.3 billion), including

US\$2 billion foreign equipment purchases

Preliminary Design: October 1990 - September 1992

Request for Detailed Design: 1993

Projected Construction Time: 1994 - 2000

Source of Finance: Institute of Transportation

Current Development:

French firm, Sofrerail, won a contract for preliminary design of the Taiwan High Speed Rail Project on September 6, 1990. Also competing for this contract were Deutsche Eisenbahn Consulting GMBH from Germany teamed with U.S. firm Parsons Brinckerhoff International and the Japan Railway Technical Services (JARTS) in a joint venture with U.S. firm Deleuw Cather.

U.S. firm, Rail Transportation Systems (RTS) Inc., of Atlanta, GA, is affiliated with Sofrerail and will play a role in the preliminary design. RTS representative, Nicholas Brand has been named deputy director for the preliminary design phase. The high speed rail project is budgeted at US\$10 billion, of which US\$8 billion will be spent on civil construction and US\$2 billion on equipment procurement.

The preliminary design will be broad enough to permit French, German, and Japanese high speed rail systems to qualify for the bid. There are high speed rail opportunities for U.S. engineering firms. RTS plans to bid on the detailed design which will be tendered in approximately one year.

The High Speed Rail Project falls under the Ministry of Communications' jurisdiction. Presently Sofrerail is using offices provided by the Taipei Underground Railway Project (TURPO) in the Taipei Train Terminal. The overall project director is General Ping Tong.

There is wide spread talk in Taiwan that French high speed trains (300 kph) are preferable to Japanese high speed trains (250 kph). Some say that the French technology is more advanced than the Japanese. There seems to be less enthusiasm for a German high speed rail system. French hopes for supplying the rolling stock were raised by a recent visit to France by the Taiwan Minister of Communications. Local television showed the Minister riding on a French high speed train.

According to the Provisional Engineering Office of High-Speed Rail Project, the three high-speed railways — West Germany's Inter City Express (ICE), Japan's Sinkansen or bullet train, and the France's Train a Grande Vitesse (TGV) — are being considered as models for Taiwan's own system.

U.S. firms stand a good chance to win some of the high speed rail contracts. Some local firms are interested in working with U.S. firms.

The scope of work of the high speed rail project will be released in October 1990. We foresee that the scope of work will include engineering services, civil construction, rolling stock, signalling, traction power supply systems, communication systems, depot equipment, station services and design, track work, etc. It does not appear that the high speed rail will be a turnkey project. Contracts will be let out individually. U.S. firms will be competitive in many of the above areas of the scope of work.

Interested firms may contact:

AIT Commercial Unit

Room 3207, 333 keelung road, Section 1, Taipei, Taiwan

Phone: 886-2-720-1550 Fax: 886-2-757-7162

Attn: Robert Strotman, Commercial Officer

The proposed high-speed railways will bring passengers from Taipei to Kaohsiung in less than two hours. Regular trains currently take nearly five hours to reach Kaohsiung. There will be eight stops on the route of 365 kilometers. The high-speed train will stop in Sungshan, Taipei, Taoyuan, Hsinchu, Taichung, Chiayi, Tainan and Kaohsiung.

Background Information:

Parsons Brinckerhoff International (joint venture with Deutsche Eisenbahn Consulting GMBH) completed the project's US\$2.6-million feasibility study in January 1990.

Contacts:

Mr. Tong Ping (Surname Tong), Director, Provisional Engineering Office of High-Speed Rail Project, Ministry of Communications, 3rd Floor, 3 Peiping W. Road, Taipei, Taiwan; Phone: (02)361-1443; FAX: 886-2-331-2294 (for High-Speed Rail Project)

Dr. Ho-hsiung Hou, Chief, Transportation Department, Institute of Transportation, Ministry of Communications, 240 Tung-hwa North Road, Taipei, Taiwan; phone: (02) 712-3121

XII. OTHER PROJECTS

CHINA STEEL CORPORATION FOURTH PHASE EXPANSION

Current Developments:

China Steel Corporation plans a fourth phase expansion for an additional 2.4 million tons of capacity. CSC would prefer to expand at their existing site on the Kachsiung harborfront, but concerns about an adequate supply of fresh water for cooling turbo-condensers and other equipment have so far resulted in a reluctance to construct the project at the existing Kachsiung site. CSC currently consumes about 110,000 metric tons of fresh water per day, roughly ten percent of the entire city's daily consumption. CSC is waiting to see how plans for new reservoirs in southern Taiwan are finalized before making a final decision on expanding in Kachsiung. Conceivably, with water rights obtained from planned and possible new reservoir projects in the south, CSC could proceed with its fourth phase expansion at its Kachsiung site.

CSC is finding it difficult to locate qualified design and equipment firms in the U.S. for such projects; Japanese and German firms are more plentiful in this field. U.S. firms that can supply drive systems and control systems may be the most competitive bidders for parts of this future expansion.

With no specified timeframe or location, CSC estimates the fourth phase expansion project cost at US\$2 billion. The major product will be hot-rolled steel. CSC identified six issues which need to be adequately addressed before embarking on the fourth phase expansion: (a) changes in the steel market; (b) additional land for berths for handling and transporting raw materials; (c) selection of the most modern technology for steel making (one of the Chinese language press in Kaohsiung article noted that SMS Schloemann-Siemag Aktlengesellschaft of West Germany is under consideration); (d) security of water resources: (e) additional land for storage and pollution control facilities; and (f) overcoming local resistance to expansion due to environmental concerns.

Background Information:

China Steel Corporation's (CSC) fourth phase expansion basically is the building of its No. 4 blast furnace. CSC was originally designed to have an annual production of 6 million tons. The first blast furnace was built in December 1977 with an annual production capacity of 1.5 million tons. The market demand increased since the building of the first blast furnace. The projected annual production was raised to 8 million tons. The second blast furnace was built in October 1982 with an annual production capacity of 1.75 million tons. The third furnace was completed in June 1988 with an annual production capacity of 2.4 million tons, and the fourth furnace will also be built with a capacity of 2.4 million tons.

CSC faces the following problems with the fourth phase expansion: Since the plant was originally designed to produce 6 million tons annually, the plant's dock is not equipped to handle the amount of raw material needed for 8 million tons annual production. It was estimated that there will be a shortage of 5 million tons of raw material (ore and coking coal) if the No. 4 furnace were built and put in operation. For the same reason, there will also be a shortage of cooling water and power supply. Secondly, the cost for environmental protection is rapidly increasing. Therefore, CSC is hesitant to start the fourth phase expansion. CSC is considering two alternatives: 1) Find another location at Wai-san-ting in Taiwan, to build a new steel mill; and 2) To invest abroad in Australia, Brazil, South Africa or the United States.

Contacts: Mr. R. J. Hung, Vice President, China Steel Corporation, Lin Hai Industrial District, P. O. Box 47-29, Hsiao Kang, Kachsiung, Taiwan; Phone: (07)802-1111 Ext. 2356; Telex: 71108, 71283, 71284, 71415 STLMILL; FAX: 886-7-802-2511

DEVELOPMENT OF KUANYIN MOUNTAIN SCENIC AREA

Project Study Cost:

NT\$5 million (US\$192,000)

Current Developments:

The Taiwan Tourism Bureau of the Ministry of Communications completed the project study in house. The project study was approved by the Executive Yuan in 1989. Between FY 1989 and FY 1992, a total budget of US\$14 million was allocated for construction of the Kuanyin Mountain scenic area. No foreign consulting services are required, according to the Taiwan Tourism Bureau.

Contacts:

Chiu Chang-kuang, Chief, First Division, Tourism Administration, 8/F, 216 Mingchuan Road, Taichung, Taiwan; Phone: (04)224-5889

Lin Chi-wang, Director, Tourist Bureau, Department of Communications, Taiwan Provincial Government, 8/F, 216, Mingchuan Road, Taichung, Taiwan; (04)224-1397

DEVELOPMENT OF THE COASTAL SCENIC AREA OF EASTERN TAIWAN

Project Study Cost:

NT\$25.5 millon (US\$981,000)

Current Developments:

Foot Hill Consulting firm, an American company, assisted the Taiwan Tourism Bureau of the Department of Communications with a portion of the project study of eastern coastal scenic spots completed in mid-1989. The project study along with an eastern coastal recreation and development plan were submitted to the Executive Yuan in December 1989 and were approved. No further foreign consulting services are required for construction of this project, according to the Taiwan Tourism Bureau.

Contacts:

Lin Chi-wang, Director, Tourist Bureau, Department of Communications, Taiwan Provincial Government, 8/F, 216, Mingchuan Road, Taichung, Taiwan; (04)224-1397

FEASIBILITY AND PROJECT STUDIES FOR THE HSINCHU SCIENCE CITY PROJECT

Project Study Cost:

NT\$9.6 million (US\$370,000)

Current Development:

The project includes feasibility and project studies for the Hsinchu Science City and its residential area plan. The Council of Economic Planning and Development is reviewing the project. The Executive Yuan will give final approval to the project.

Contacts:

Choh H. Li, Director General, Hsinchu Science-based Industrial Park, National Science Council, 2 Hsin Ann Road, Hsinchu, Taiwan; Phone: (035)773-365, telex: 32188 NSCHSIP

S. L. Tu, Director, Performance Evaluation Department, Council for Economic Planning and Development, 9th Fl., 87 Nanking E. Road, Section 2, Taipei, Taiwan; Phone: (02)562-4732

MARINE SCIENCE TECHNOLOGY MUSEUM AND MARINE BIOLOGY MUSEUM

Estimated Total Cost:

US\$231 million (NT\$1 billion)

Construction Date:

Pending

Expected Completion Date:

In five years

Source of Finance:

Ministry of Education

Current Developments:

Dr. Bonnie Sun Pan, Professor, National Taiwan College of Marine Science & Technology informed AIT that there are plans to construct a Marine Science Technology Museum in Keelung and a Marine Biology Museum in Pingtung. These projects are under the jurisdiction of the Social Education Department, Ministry of Education. The NT\$6 billion (US\$231 million) Marine Science Museum project budget which includes the Marine Science Technology Museum and the Marine Biology Museum was approved by the Ministry of Education.

Land has been acquired at Keelung Pa-tou-tze (in northern Taiwan) for construction of the Marine Science Technology Museum. Location of the Marine Biology Museum in Pingtung (in southern Taiwan) has not yet been determined. Dr. Bonnie Sun Pan, professor at the National Taiwan College of Marine Science & Technology, will be chairperson of the Marine Science Museum Planning Committee. This planning committee will be formed soon and will be located in the National Taiwan College of Marine Science & Technology. No word has been given on when the project is expected to begin, but it is targeted for completion in five years.

Dr. Pan disclosed that she was impressed with the large aquariums in Hawaii, Chicago, Seattle and Boston that she visited. She suggested that U.S. architectural firms and U.S. firms with experience in large aquarium design and exhibit design are encouraged to contact her at the following address:

National Taiwan College of Marine Science & Technology 2 Pei Nein Road Keelung, Taiwan Phone: 462-9781

Background Information:

In 1986, The Social Education Department, Ministry of Education (MOE), started the project plan for a marine science museum in Taiwan. In October 1986, MCE sent specialists to visit marine science museums in Baltimore, Washington, Monterey, Miami, San Diego and several places in Europe and Japan. A report on the survey trip, a location selection assessment among 25 areas in Taiwan, and a preliminary study was submitted to Mr. Chou Tso-min, director of the Social Education Department, MOE, in January 1988. There have been no recent developments on this project.

Contact:

Professor Bonnie Sun Pan, National Taiwan College of Marine Science & Technology, 2 Pei Ning Road, Keelung, Taiwan; Phone: 462-9781

NATIONAL SCIENCE & TECHNOLOGY MUSEUM

Estimated Total Cost:

US\$37 million (NT\$1 billion)

(Including construction segment of US\$11

million (NT\$300 million)

Expected Completion Date:

December 1993

Source of Finance:

Ministry of Education

Current Developments:

Construction of the National Science & Technology Museum will take place in two stages. The first stage design works were awarded as stated in the background information below. For the second stage construction plan, ten exhibition halls will be installed with ten major subjects:

- The Utilization of Water Resources
- Biological Technology
- Metal Industry
- Plastic & Rubber
- Measurement & Technology Development
- Air Navigation & Aerospace
- Clothing & Technology
- Transportation and Civilization
- Prevention & Treatment of Disaster
- Computer & Communication

Six U.S consultants and one Japanese consultant submitted design proposals for the project. The name list has not been released. The National Science & Technology Museum is reviewing these proposals and contract award will be announced by the end of October 1990. Fabrication contracts will be awarded to the firms recommended by the consultants selected for these ten subjects.

Background Information:

The Ministry of Education plans to build a 10-story science museum in Kaohsiung. The overall project is estimated at NT\$1 billion (about US\$37 million), with the construction segment likely to be budgeted at NT\$300 million (US\$11 million). A Taipei architect, Bai Hsing-san, has been selected and design work began in April 1987.

Mr. Chou Chao-chi, former chairman of Department of Engineering, National Sun Yat-sen University, is the museum director. He is responsible for all decision-making.

Dr. Chou Chao-chi, Director of the National Science & Technology Museum informed AIT that the first stage plan of eight major design contracts for the National Science & Technology Museum was awarded in April 1988 to three U.S. firms and one Japanese consultant. The three U.S. firms are De Martin, Marona, Carnastous and Downes, Inc. (subject: The Wonderful World of

Electronics); Newhart, Donges, Newhart, Inc. (two subjects: a)
Computerization, and b) Energy Utilization); and Lepeg-Sabrega, Inc.
(subject: Power & Machines). Cost for each subject is about
US\$400,000-US\$600,000. The Japanese firm, Nomura, won four contracts. They
are: a) Chinese Science Achievement, b) Children's Science Center, c)
Building & Environment, and d) Chinese Food Industry. The total value of the
Japanese contracts is US\$2 million. All designated contractors completed the
above design work in April 1990. According to Dr. Chou, the fabrication
contracts were awarded to the firms recommended by the aforementioned
consultants and construction is slated for completion in September 1992.

Mr. Daniel N. MacMaster, a former director of the Chicago Science Museum, is an advisor to the National Science & Technology Museum Planning Council. Names and addresses of U.S. firms which won the major design contracts are:

Carnastous and Downes, Inc. 630 3rd Ave., N.Y., NY 10017 Attn: Mr. Robert Marona De Martin, Marona Phone: (212)682-9044

Newhart, Donges, Newhart, Inc. 138 Sierra St., El Segundo, CA 90245 Attn: Ms. Marilyn Newhart Phone: (213)322-4532

Lepeg-Sabrega, Inc. 17 Wakerobin Road, Norwalk, CT 06851 Phone: (203)847-4886

Contact: Dr. Chou Chao-chi, Director of the National Science & Technology Museum Planning Council, 4/F-1, 95 Ping-teng Road, Shan-ming District, Kaohsiung; phone: (07)384-6471; fax: (07)386-9024.

PESCADORE ISLANDS AQUARIUM/MUSEUM PROJECT

Estimated Total Cost: US\$10 million Construction Date: April 1991

Source of Finance: Taiwan Provincial Authorities

Current Developments:

To accelerate the pace of the Penghu (Pescadore Islands) tourism industry, the Taiwan Fisheries Institute (TFI), in conjunction with the Taiwan provincial authorities, is developing plans for the construction of an aquarium on the grounds of TFI's Peng Hu Bai Sha Administrative District Office. The

provincial authorities have allocated US\$11,111 (NT4300,000) for Fiscal Year 1991 for the design and estimated cost study of the proposed aquarium. U.S. Seattle based consulting firm Kramer, Chin & Mayo (KCM), Inc. has been selected to perform the study.

In a preliminary plan submitted in December, 1989, KCM proposed that a US\$10 million, 40,400 square foot facility be constructed. The proposed facility would include:

- An outdoor exhibit area, including shore, sea turtle and shore bird exhibits
- A public service area, coffee shop and gift shop
- A main aquarium structure
- Rocky shore tanks
- A reef tank
- Pelagic tank and underwater observation area
- A shark tank
- A wind power generator
- A theater and auditorium
- A sea/fresh water tank
- A shell exhibit
- Administrative offices
- Various support facilities

Upon completion of KCM's current study, additional details should become available.

KCM will complete a master plan in November 1990. Construction for the project will begin in April 1991.

U.S. firms are encouraged to pursue project related opportunities. For further information interested parties may wish to contact the following individuals:

Mr. Chun-hui Chen, Director Taiwan Fisheries Institute (TFI) Taiwan Provincial Government 8 Hsin Kang N. Street, Makung, Peng Hu, Taiwan Phone: 011-886-6-927-7101 Fax: 011-886-6-927-7334

Mr. T. C. Wang Vice President KCM International, Inc. 1917 First Avenue Seattle, Washington 98101

TEL: 206-443-5300 FAX: 206-443-5372

TAIPEI ZOO EXPANSION

Estimated Total Cost:

US\$100 million (including a masterplan contract amounting to US\$350,000)

October 1987 (Planning)

Starting Date:

Expected Completion Date:

Date of Award: Source of Finance: June 1996

After July 1990 (Phase I detailed design)

Taipei Zoo

Current Developments:

Tenders for the Taipei Zoo detailed design are awaiting project budget approval by the Legislative Yuan. Foreign engineering consultants will be required for the first phase detailed design of the zoo transportation systems and tenders for this phase may be issued pending budget approval by the end of 1990. Mr. Wang plans to complete the zoo transportation systems in three years pending budget approval. Construction for other phases of the zoo are under planning and the entire project is scheduled for completion in June 1996.

Mr. Wang Kuan-ping, Director of the Taipei Zoo welcomes detailed engineering consultants specialized in zoo transportation systems to submit their descriptive materials and contact him directly.

Background Information:

Mr. J. Thomas Atkins of Jones & Jones, a Seattle architecture and planning company, signed a contract for US\$350,000 on June 14, 1988, to design a masterplan for the US\$100 million Taipei Zoo Expansion Project. This is the first contract to be let on the project. The masterplan was completed in May 1989.

Contact: Mr. Wang Kuan-ping, Director, Taipei Zoo, 30 Shih-kuang Road, Section 2, Taipei, Taiwan 11628; phone: (02)938-2312 or Mr. Chou Hsien-kuan, Senior Specialist, phone: (02)938-2300

THE SIX-YEAR NATIONAL DEVELOPMENT PLAN FOR TAIWAN, REPUBLIC OF CHINA (1991-1996)

BACKGROUND OF THE PLAN

THE RAPID ECONOMIC GROWTH HAS CAUSED THE FOLLOWING PROBLEMS:

- DETERIORATION OF QUALITY OF LIFE
 TRAFFIC CONGESTION, ENVIROMENTAL POLLUTION, RISING CRIME RATE,
 LACK OF CULTURAL AND RECREATIONAL FACILITIES.
- 2. LOSING THE COMPETITIVENESS
 SHORTAGE OF LABOR AND DECLINING WORK ETHIC

GOALS OF THE PLAN

- INCREASING NATIONAL INCOME;
- 2. PROVIDING SUFFICIENT RESOURCES FOR CONTINUED INDUSTRIAL GROWTH;
- 3. PROMOTING THE BALANCED REGIONAL DEVELOPMENT;
- 4. UPGRADING THE QUALITY OF LIFE.

TARGETS OF THE PLAN

ITEM	Unit	1989	1990	Target	
				1991	1996
ECONOMIC GROWTH RATE	%	7.3	5.2	7.0	7.0
GROSS NATIONAL PRODUCT(GNP)	US\$ billion	150.3	161.5	178.6	298.5
PER CAPITA GNP	US\$	7,512	7,990	8,747	13,975
CONSUMER PRICE CHANGE	%	4.4	4.4	5.0	3.5
UNEMPLOYMENT RATE	%	1.6	1.7	2.1	2.3
EXPORTS OF GOODS & SERVICES					
MERCHANDISE EXPORTS	US\$ billion	66.2	66.6	70.3	99.4
(AT FOB PRICES)					
IMPORTS OF GOODS & SERVICES					,
MERCHANDISE IMPORTS	US\$ billion	52.3	53.8	59.1	95.5
(AT CIF PRICES)					
BALANCE ON MERCHANDISE TRADE	US\$ billion	14.0	12.9	11.2	3.9

APPROXIMATE TOTAL INVESTMENT US\$ 300 BILLION

MAJOR INVESTMENTS IN SIX-YEAR NATIONAL DEVELOPMENT PLAN

TRANSPORTATION & TELECOMMUNICATIONS US\$102.8 BILLION

HOUSING US\$ 44.5 BILLION

ENERGY EXPLORATION US\$ 37.5 BILLION

SOCIAL SECURITY US\$ 31.4 BILLION

INDUSTRIAL DEVELOPMENT US\$ 12.3 BILLION

ENVIRONMENTAL PROTECTION US\$ 10.7 BILLION

MEDICAL CARE US\$ 3.9 BILLION

BASIC POLICIES TO SUPPORT THE PLAN

FISCAL POLICY

- 1. INCREASE ISSUANCE OF GOVERNMENT BOND;
- 2. ENCOURAGE PRIVATE SECTOR PARTICIPATION;
- 3. IMPROVE AND PROMOTE FLEXIBLE TREASURY MANAGEMENT;
- 4. PURSUE TAX REFORM AND STREAMLINE THE TAX SYSTEM.

FINANCIAL POLICY

- 1. STRENGTHEN FINANCIAL STABILITY;
- 2. CARRY OUT FINANCIAL LIBERALIZATION AND INTERNATIONALIZATION;
- 3. INSTITUTIONALIZE AND MODERNIZE FINANCIAL OPERATION
- 4. ENSURE THE SOUND DEVELOPMENT OF THE STOCK MARKET AND FACILITATE THE INTERNATIONAL MOBILITY OF CAPITAL;
- 5. ENSURE THE SOUND DEVELOPMENT OF FINANCIAL
 INSTITUTIONS TO PROMOTE FINANCIAL DIVERSIFICATION AND
 EXPAND THE SCOPE OF FINANCIAL SERVICES.

INDUSTRIAL DEVELOPMENT POLICY

1. PROMOTE INDUSTRIAL MODERNIZATION INDUSTRY:

INDUSTRY:

ENCOURAGE THE INVESTMENTS IN AUTOMATION, RESEARCH AND DEVELOPMENT.

ENLIST THE FOREIGN HIGH-TECH FIRMS TO UPGRADE DOMESTIC INDUSTRIAL TECHNOLOGY.

SERVICE:

REMOVE UNNECESSARY RESTRICTIONS

UPGRADE MANAGERIAL SKILL.

COMPUTERIZE AND MODERNIZE FINANCIAL OPERATION.

FACILITATE COMMUNICATIONS AND TRANSPORTATION

2. IMPLEMENT ECONOMIC LIBERALIZATION

REVIEW AND ADJUST IMPORT TARIFF STRUCTURE

PRIVATIZE PUBLIC ENTERPRISES

ENCOURAGE FOREIGN HIGH-TECH COMPANIES TO INVEST IN THE ROC AND TO COOPERATE WITH LOCAL FIRMS

ENCOURAGE OUTWARD INVESTMENT TO ACQUIRE NEW TECHNOLOGY AND RAW MATERIALS

HELP INDUSTRIES THAT ARE NO LONGER COMPETITIVE TO SET UP FOREIGN PRODUCTION BASES

3. ENSURE AMPLE SUPPLY OF HIGH-QUALITY MANPOWER .

IMPROVE THE EDUCATIONAL SYSTEM, EXPAND THE HIGHER EDUCATIONAL INSTITUTIONS AND PROMOTE SCIENTIFIC AND TECHNICAL EDUCATION

STREAMLINE THE VOCATIONAL TRAINING SYSTEM AND ON-THE-JOB TRAINING

IMPROVE WORKING CONDITIONS

ENSURE HARMONIOUS INDUSTRIAL RELATIONS

4. ENCOURAGE THE ACCELERATION OF INDUSTRIAL RESTRUCTURING

INCREASE R&D EXPENDITURES AND STRENGTHEN COOPERATION OF RESEARCH ORGANIZATIONS

ENCOURAGE THE ESTABLISHMENT OF VENTURE CAPITAL COMPANIES

5. SECURE STABLE SUPPLY OF ENERGY

CONTINUE TO BUILD NEW POWER PLANTS, PROMOTE THE USE OF NATURAL GAS, UPGRADE THE ENERGY STRUCTURE, SECURE ENERGY SUPPLY, DIVERSIFY SOURCE OF ENERGY IMPORTS

ESTABLISH RATIONAL ENERGY-PRICE STRUCTURE, ASSIST CORPORATIONS
TO IMPROVE ENERGY MANAGEMENT PROGRAMS

STRENGTHEN ENERGY RESEARCH AND PROMOTE ENERGY EDUCATION

MAJOR PROJECTS UNDER THE SIX-YEAR NATIONAL DEVELOPMENT PLAN

TRANSPORTATION AND TELECOMMUNICATIONS

RAILWAY

PROJECT: THE WEST TAIWAN HIGH SPEED RAIL (HSR)

CONTENTS OF THE PROJECT:

- 1. FROM TAIPEI TO KAOHSIUNG WITH FIVE INTERMEDIATE STOPS;
- 2. 365 KM IN LENGTH WITH 21KM OF MAINTENANCE TRACK;
- 3. TRAVEL TIME IS LESS THAN TWO HOURS.

TIME NEEDED:

ESTIMATED TIME NEEDED FOR THE PLANNING, DESIGN AND CONSTRUCTION IS APPROXIMATELY TEN YEARS.

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 13.7 BILLION

AGENCY RESPONSIBLE:

PREPARATORY COMMITTEE OF HSR, MINISTRY OF COMMUNICATIONS

HIGHWAY

PROJECT: THE CONSTRUCTION OF SECOND FREEWAY

CONTENTS OF THE PROJECT:

- 1. FROM KEELUNG TO PINGTON;
- 2. THE TOTAL LENGTH IS ABOUT 435 KM
- 3. THE NORTH SECTION OF THE FREEWAY IS UNDER CONSTRUCTION AND WILL BE COMPLETED BY 1992.

TIME NEEDED:

TO BE COMPLETED BY 1998

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 21.2 BILLION

AGENCY RESPONSIBLE:

MINISTRY OF COMMUNICATIONS

URBAN TRANSPORTATION

PROJECT: THE TAIPEI RAPID TRANSIT SYSTEM

CONTENTS OF THE PROJECT:

THE INITIAL NETWORK CONSISTS OF SEVEN LINES,

TOTALLING 84.7 KM.

TIME NEEDED:

COMPLETED BY 1998

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$16.5 BILLION

AGENCY RESPONSIBLE:

TAIPEI RAPID TRANSIT SYSTEM BUREAU, TAIPEI CITY
GOVERNMENT

URBAN TRANSPORTATION

PROJECT: THE KAOHSIUNG RAPID TRANSIT SYSTEM

CONTENTS OF THE PROJECT:

THE INITIAL NETWORK CONSISTS OF FOUR LINES, TOTALLING 77.7KM.

TIME NEEDED:

COMPLETED BY 2000

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 6.8 BILLION

AGENCY RESPONSIBLE:

PREPARATORY COMMITTEE OF KAOHSIUNG RAPID TRANSIT SYSTEM BUREAU, KAOHSIUNG CITY GOVERNMENT

AIR SERVICE

PROJECT: EXPANSION AND MODERNIZATION OF AIR SERVICE CONTENTS OF THE PROJECT:

- 1. EXPANSION OF CKS, KAOHSIUNG AND OTHER LOCAL AIRPORTS.
- 2. EXPANSION AND MODERNIZATION OF AIRPLANES.

TIME NEEDED:

TO BE COMPLETED BY 1997

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 5.5 BILLION

AGENCY RESPONSIBLE:

CIVIL AERONAUTICS ADMINISTRATION, MINISTRY OF COMMUNICATIONS

TELECOMMUNICATIONS

PROJECT: EXPANSION AND MODERNIZATION OF TELECOMMUNICATIONS SERVICE

CONTENTS OF THE PROJECT:

- 1. EXPANSION OF LOCAL TELEPHONE SERVICES.
- 2. DIGITALIZATION OF EXISTING NETWORK.
- 3. EXPANSION OF OPTICAL FIBER TRANSMISSION CABLES TO ENHANCE NETWORK RELIABILITY.
- 4. INTEGRATION OF TELECOMMUNICATION AND COMPUTER TECHNOLOGIES.

TIME NEEDED:

FROM 1992 TO 1997

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 7.4 BILLION

AGENCY RESPONSIBLE:

DIRECTORATE GENERAL OF TELECOMMUNICATIONS



ENVIRONMENTAL PROTECTION

PROJECT: POLLUTION CONTROL.

CONTENTS OF THE PROJECT:

- 1. PREVENTION & TREATMENT OF AIR POLLUTION.
- 2. PREVENTION & TREATMENT OF WATER POLLUTION.
- 3. EXPANSION OF GARBAGE DISPOSAL FACILITIES.

TIME NEEDED:

FROM 1992 TO 1997

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$10.7 BILLION

AGENCY RESPONSIBLE:

ENVIRONMENTAL PROTECTION ADMINISTRATION

TAIWAN PROVINCIAL GOVERNMENT

TAIPEL CITY GOVERNMENT

KAOHSIUNG CITY GOVERNMENT



ENERGY EXPLORATION

PROJECT: CONSTRUCTION OF FOURTH NUCLEAR POWER PLANT

CONTENTS OF THE PROJECT:

CAPACITY: 2000 MWE.

TIME NEEDED:

EXPECTED TO BE COMPLETED BY 1999.

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$ 6.29 BILLION

AGENCY RESPONSIBLE:

TAIWAN POWER COMPANY

ENERGY EXPLORATION

PROJECT: CONSTRUCTION OF THERMAL POWER PLANT CONTENTS OF THE PROJECT:

- 1. TAICHUNG FOSSIL NO.1-4
- 2. TAICHUNG FOSSIL NO.5-8
- 3. NANPU COMBINED CYCLE NO.1-6
- 4. HSINTA COMBINED CYCLE NO.1-6
- 5. SUAO FOSSIL NO.1-2

TIME NEEDED:

FROM 1987 TO 1998

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$21.79 BILLION

AGENCY RESPONSIBLE:

TAIWAN POWER COMPANY

ENERGY EXPLORATION

PROJECT: CONSTRUCTION OF HYDRO POWER PLANT CONTENTS OF THE PROJECT:

- 1. MINGTAN PUMPED STORAGE
- 2. MA AN PROJECT
- 3. LIYUTAN RESERVOIR PROJECT

TIME NEEDED:

FROM 1987 TO 1996

ESTIMATED EXPENDITURES:

APPROXIMATELY US\$46.1 BILLION

AGENCY RESPONSIBLE:

TAIWAN POWER COMPANY

FOREIGN ECONOMIC TRENDS AND THEIR IMPLICATIONS FOR THE UNITED STATES

2.

TATWAN

January 1991

FREQUENCY: SEMI-ANNUAL SUPERSENDES: June 1990

PREPARED BY
AMERICAN INSTITUTE IN TAIWAN
TAIPEI

KEY ECONOMIC INDICATORS In millions of U.S. dollars unless noted

Domestic Economy		Estim. 1990	Proj. 1991
Population (mil., year-end) Population growth (%)	1.0 150,283 .7,512 7.3	20.3 1.0 162,092 7,992 5.2 4.4	1.0 175,700 8,603 6.1
Production and Employment Labor force (millions) Unemployment rate (average) Industrial production, % change Govt. oper. balance as % of GNP	1.6	-1.7	6.5
Balance of Payments Exports (fob) Imports (cif) Trade surplus Current account balance Foreign direct investment External public debt (12/31) Debt-service paid Debt-service ratio as % of exports (goods and services) Forex reserves (year-end) Average NTD/USD exchange rate	1,604 1,404 2,456 3.4	54,719	60,230 11,120 10,000 1,000 900 1,560 2.0
Foreign Investment Approvals Total (since 1952) U.S. (since 1952) U.S. share (%)	3,091	13,252 3,652 27.6	4,200
Imports from U.S. (cif)	11,995 12,001 36.2	21,746 12,612 9,134 32.4 23.0	13,800 8,400 31.1

Principal Imports from the U.S. (1989): electronic/electrical goods (\$1,975); chemicals (\$1,425); machinery (\$1,409); food/wine/cigarettes (\$654); corn (\$573); soybeans (\$508).

Principal Exports to the U.S. (1989): electronic/electrical goods (\$5,904); machinery (\$2,376); textiles/apparel (\$2,135); footwear (\$1,903); toys/sporting goods (\$1,525).c

* Excluding \$18 million in Central Bank gold imports. Note: Taiwan trade data may not agree with U.S. data. Source: Directorate General of Budget, Accounting and Statistics.

SUMMARY

Taiwan's economy grew a moderate 5.2 percent in 1990, in contrast to 7-percent growth in 1988-89. Both exports and industrial production slumped until the final quarter of 1990 when a slight upturn began. High labor and land costs and the ongoing emigration of labor-intensive industries affected the local investment climate--leading to a net capital outflow through June which was reversed in the second half. Between February and October, the local stock exchange plunged 80 percent, depressing private consumption. Oil product prices surged in the wake of Iraq's August 2 invasion of Kuwait and seriously exacerbated inflationary pressures on the island.

To revive the economy, the authorities launched several measures to boost public investment. A new six-year economic development plan--budgeting huge public expenditures for infrastructural projects--is nearing finalization in early 1991. A new statute for upgrading local industries was adopted by the Legislative Yuan in late December--providing major tax incentives to private investment projects.

Emphasizing the export upswing that began in recent months as well as higher planned public spending, Taiwan's economic authorities expect improved economic performance in 1991. However, some local economists are not as optimistic. The outcome of the Gulf crisis may have a negative impact on Taiwan's near-term growth, if high oil prices occur. In addition, local observers argue that the U.S. economic slowdown could be prolonged, thereby dampening exports to the United States.

Taiwan's trade imbalances continued to shrink in 1990. Its trade surplus with the United States (\$9.1 billion) plunged 23.9 percent—down from \$12.0 billion in 1989, based on Taiwan data. This drop exceeded the 10-percent reduction target set in Taiwan's Trade Action Plan. To reinforce Taiwan's commitment to trade liberalization, AIT and CCNAA held several consultations in 1990, focusing on local market access, financial services, and intellectual property rights. However, much more work is needed to advance these and other mutual economic interests. (See section below entitled "Implications for the U.S.")

Given current trends, the U.S. trade deficit with Taiwan could narrow an additional 10-11 percent in 1991--if Taiwan continues to expand imports and diversify export markets away from the U.S. In 1991, the U.S. share of Taiwan's total

exports should continue to fall, but the pace of decline may slow if 1990 NT\$ exchange rate trends persist. Higher imports are likely to be stimulated by public investment projects and private industrial upgrading. As a result, U.S. suppliers of capital goods, high-tech products, and anti-pollution equipment (among others) should see major business opportunities on Taiwan during 1991. END SUMMARY.

CURRENT ECONOMIC SITUATION

GNP Growth

Taiwan's economy slowed to 5.2 percent in 1990 from 7.3-percent growth in 1989--nearing 1981's 4.1-percent low in the wake of the world's second oil crisis. Despite the slowdown, 5.2-percent growth is admirable by the standards of advanced economies. In addition, Taiwan's 1990 per capita GNP rose 6.4 percent to \$8,000. The new six-year economic development plan forecasts per capita GNP will rise from \$8,600 in 1991 to \$14,000 in 1996--thus enabling the island to attain the middle income ranks of developed economies.

The economy slowed during 1990 as local factories and capital moved offshore, chiefly due to relatively high labor and land costs and political uncertainties in a presidential election year. An 80-percent dive in stock market prices between February and October depressed the services sector and left many businesses in financial straits.

Weather-related damage to food crops and the August 2 Iraqi invasion of Kuwait exacerbated inflationary pressures and further weakened Taiwan's economic performance. Nonetheless, the New Taiwan dollar's (NT\$) depreciation of 10 to 23 percent against the Japanese yen and European currencies between May and December helped to revive the island's exports. As a result, economic growth rebounded from 4.0-percent growth in the third quarter to 5.0 percent in the fourth.

Foreign Trade

Taiwan's trade imbalances continued to shrink in 1990. Global export growth was virtually flat, inching up 1.5 percent from 1989 to reach \$67.2 billion in 1990. Imports rose 4.8 percent from 1989 to reach \$54.7 billion in 1990. As a result, the global trade surplus fell 10.7 percent from \$14 billion in 1989 to \$12.5 billion in 1990. Both export and import growth set record lows for the past five years.

Taiwan's exports continued to undergo structural change in 1990. Current industrial upgrading efforts have boosted exports of heavy industrial products (including machinery, electronic components, microcomputers, and petrochemicals) from 44.0 percent of total exports in 1989 to 45.9 percent in 1990. During the same period, agricultural and light industrial exports (such as apparel, footwear, toys and sporting goods) fell from 56.0 to 54.1 percent of total exports.

Taiwan's policy of diversifying export markets, coupled with NT\$ exchange rate movements against major foreign currencies, lowered the U.S. share of total exports from 36.2 in 1989 to 32.4 percent in 1990. Concomitantly, Europe's share of total exports rose from 16.5 to 18.2 percent, while ASEAN's share grew from 8.3 to 10.1 percent. Indirect exports through Hong Kong to mainland China continued to rise. Exports to Hong Kong jumped 21.7 percent, with Hong Kong's export share advancing from 10.6 percent in 1989 to 12.7 percent in 1990. Taiwan's import suppliers remained largely unchanged in 1990. Japan and the United States were Taiwan's two major sources, providing 29.2 and 23.0 percent of the island's total imports, respectively.

The New Taiwan Dollar

In 1990, the NT\$:US\$ exchange rate fell slightly from 26.17:1 to 27.12:1. The NT\$ value depreciated 3.6 percent against the U.S. dollar. By intervening in the market, Taiwan's Central Bank (CB) limited daily fluctuations within a narrow range of just a few NT cents. However, the NT\$ depreciated in a single day in May from 26.5:1 to 27.5:1 following relatively large capital outflows, i.e., mainly transfers from NT\$ to foreign currency accounts. To dampen foreign exchange speculation, the Central Bank imposed foreign currency deposit reserve requirements in June but dropped the requirements in November in response to massive capital inflows caused by expectations of NT\$ appreciation.

While declining slightly against the U.S. dollar, the NT\$ fell substantially against other major foreign currencies in 1990: 9.6 percent against the Japanese yen, 15.0 percent against the Deutsche mark, 15.6 percent against the French franc, 21.5 percent against the pound sterling, and 22.9 percent against the Swiss franc. This depreciation made Taiwan products cheaper in overseas markets, thereby contributing to a rebound in exports beginning in September. Realignment of the NT\$ against major currencies — i.e. marked depreciation against

the Japanese yen and European currencies -- has diversified Taiwan's exports away from the United States.

Inflation

*..

Typhoon damage to food crops and oil price hikes have fueled inflationary pressures. Inflation as measured by the consumer price index (CPI) accelerated from an annualized rate of 3.3 percent in the first quarter to 5.7 percent in the third quarter. In September alone, the CPI rate reached 6.5 percent, a new post-1981 high. Although the CPI annualized rate slowed to 3.3 percent in October, inflationary pressures have not abated, largely due to a 17.3 percent surge in the import price index, second only to the 18.3 percent rate recorded in November 1980. Imports account for 40 percent of Taiwan's GNP. The inflation rate may climb again if the state-owned Chinese Petroleum Corporation (CPC) -- claiming financial difficulties due to rising oil prices -- passes the cost on to consumers in early 1991.

OUTLOOK FOR 1991

Taiwan's Directorate General of Budget, Accounting, and Statistics forecasts 6.1-percent economic growth in 1991. The Council for Economic Planning and Development, another central economic authority, is slightly more optimistic, setting a 7-percent GNP target for Taiwan. These forecasts are based mainly on increased export orders (up 8.6, 23.9, and 13.7 percent from September to November) and industrial production (up 1.4, 2.7 and 2.5 percent during the same three months).

However, businessmen pessimistically note that bad checks as a percent of total checks issued have risen to a record high since 1985, and that the recent surge in exports reflects clearance sales which cash-strapped local businesses held to raise liquidity. In addition, international business consulting firms and economic think tanks are not optimistic. They predict that the current economic slowdown will persist, with growth dropping to 4.5 - 4.7 percent in 1991.

Taiwan's economic recovery may not last through 1991 with hostilities in the Persian Gulf -- the source of over 70 percent of Taiwan's petroleum. If high oil prices occur, the CPC will be forced to pass on additional costs to the downstream petrochemical industry, still a mainstay of Taiwan's economy. These adverse factors portend moderate growth for Taiwan's economy in 1991 unless exports increase more rapidly and expenditures rise on big public projects.

SIX-YEAR DEVELOPMENT PLAN

In response to the recent lackluster economic performance, the authorities unveiled an economic development plan for 1991 - 1996 to revive and upgrade Taiwan's economy. Under the plan, Taiwan's per capita GNP is forecast to rise from an estimated \$8,000 in 1990 to \$13,975 in 1996. The six-year plan calls for total estimated expenditures of NT\$ 13 trillion (\$476 billion). Greater spending on public works and industrial projects is projected to sustain average annual economic growth at around 7 percent. The 1991-96 plan sets annual ceilings of 3.5 percent for inflation and slightly over 2 percent for unemployment.

By 1996, Taiwan -- now the world's 13th largest trading economy -- is expected to become the world's 10th largest. According to the plan, Taiwan's trade surplus is predicted to fall from an estimated 6 percent of GNP in 1991 to 2.5 percent in 1996. The 1991-96 plan encompasses not only industrial upgrading but also financial liberalization -- including the full opening of the local securities market to foreign investors. In addition, energy sources are to be diversified away from petroleum, and major anti-pollution projects are planned.

Economic Transformation

Taiwan's economic structure continued to change during 1990. The service sector expanded substantially to account for 53.4 percent of GDP--despite the 80-percent plunge in stock prices. Key to continued expansion in this sector was the sharp increase in public services (e.g., social welfare, education, and law enforcement). Concomitantly, the agricultural and industrial sectors continued to shrink. Agriculture's share of GDP fell to 4.3 percent in 1990, despite an 0.8 percent rise in agricultural production. The industrial share of GDP declined from 43.6 percent in 1989 to 42.3 percent in 1990.

The structural transformation of Taiwan's industries has been driven mainly by labor shortages, wage increases, and a 48-percent appreciation of the NT dollar against the US dollar since 1985. Output of low value-added, labor-intensive products (such as apparel, footwear, toys, and sporting goods) declined 8.4 percent in 1990, chiefly due to the continued emigration of such manufacturing concerns. Economic authorities plan to accelerate industrial transformation and to boost heavy industry's share of industrial output from 56 percent in 1990 to 62 percent in 1996. The six-year development plan targets industries such as information,

telecommunications, consumer electronics, semiconductors, precision and automation machinery, aeronautical products, advanced materials, special chemicals, medical equipment, and anti-pollution equipment.

By exporting half of its output in these fields, Taiwan hopes to capture at least two percent of the world market by 1996. To this end, Taiwan will implement the "Statute for Upgrading of Industries" (SUI) beginning in 1991. The SUI replaces the "Statute for Encouragement of Investment," the blueprint behind Taiwan's 30-year transformation from an agricultural to an industrial economy.

Ties with the International Community

Taiwan's efforts to strengthen its presence in international trade and financial communities intensified in 1990. It formally submitted an application to join the General Agreement on Tariffs and Trade (GATT) on January 1, 1990 and plans to submit an updated application in early 1991. At the May 1990 Asian Development Bank (ADB) meeting in New Delhi, Taiwan committed \$4 million to the Asian Development Fund, twice its first pledge of \$2 million in 1982.

Taiwan is also seeking to expand its role in regional fora. Taiwan's representative became the international president of the Pacific Basin Economic Council in June 1990. Taiwan has expressed its strong desire to join the Asian Pacific Economic Cooperation and the South Pacific Forum on an equal footing with other dialogue partners in the region.

Taiwan has used its massive foreign exchange reserves to promote foreign relations. By the end of December 1990, Taiwan had committed \$0.22 billion in aid to 28 developing countries as part of 65 projects under the International Economic Cooperation and Development Fund, capitalized at NT\$ 30 billion/\$1.1 billion. In 1989 and 1990, seven of the aid recipients established diplomatic or other types of official ties with Taipei.

IMPLICATIONS FOR THE UNITED STATES

In 1990, the ongoing emigration of labor-intensive manufacturing from Taiwan and the NT\$'s realignment against major foreign currencies were the main factors behind the diversification of Taiwan's exports away from the United States. The U.S. share of Taiwan's total exports fell from

36.2 percent (\$24 billion) in 1989 to 32.4 percent (\$22 billion) in 1990: These factors have also led to a reduction in Taiwan's trade surplus with the United States -- down 23.9 percent from \$12 billion in 1989 to \$9.1 billion in 1990, according to Taiwan data. However, the U.S. trade deficit with Taiwan is likely to drop 14 percent from \$13.0 billion to \$11.2 billion in 1990, according to USDOC data trends. This discrepancy may be explained by USDOC's capture of Taiwan value-added content in third country imports, time lags in recording data, and FOB/CIF differences.

In 1991, the U.S. share of Taiwan's total exports may continue to fall, but the pace of decline is expected to slow. Weaker economic performance in the United States may weaken U.S. purchasing power, contributing to lower imports from Taiwan.

Given current trends, the U.S. trade deficit with Taiwan could narrow an additional 10-11 percent in 1991--if Taiwan continues to expand imports and diversify export markets away from the United States. Although Taiwan's import growth slowed from 17.3 percent in 1989 to 4.8 percent in 1990, stronger import growth is possible this year as a result of huge public expenditures under the six-year development plan and industrial upgrading efforts. In addition, Taiwan continues to explore new export markets in Eastern Europe, the Soviet Union, and southeast Asia.

Several consultations between the American Institute in Taiwan (AIT) and the Coordination Council for North American Affairs (CCNAA) strengthened U.S.-Taiwan economic relations in 1990. Banking regulations were promulgated in March 1990 permitting foreign banks to accept more local currency deposits, open additional branch offices and expand into investment banking. The securities authorities decided in late 1990 to open the local stock exchange to foreign institutional investors, effective in early 1991. Restrictions on U.S. insurance companies were relaxed, and intellectual property rights (IPR) protection was improved.

However, more work remains in advancing mutual economic interests. Agricultural goods, automobiles and distilled spirits, among other products, are still subject to high tariff and non-tariff barriers. U.S. bank branching is still extremely restricted. Just as importantly, foreign banks are not allowed to set up 100-percent owned subsidiaries—preventing them from offering the full range of trust/investment services. Foreign banks and insurance companies are restrained by quotas limiting entry to the Taiwan market. There are strict restrictions on foreign institutional investors' investment in the local stock market. Finally, Taiwan's Copyright Law requires additional

revisions to meet international standards for the protection of intellectual property.

BEST PROSPECTS FOR U.S. EXPORTS

U.S. firms will find major commercial opportunities in the following fields:

POLLUTION CONTROL: Taiwan is expected to invest \$33 billion in pollution control and industrial waste disposal systems up to the year 2000. From July 1989 to June 1993, Taiwan will spend an estimated \$350 million to control air pollution and \$1.1 billion to control water pollution. Taiwan's Environmental Protection Agency is planning an island-wide pollution monitoring system. Between July 1989 and June 1993, the authorities plan to invest \$1.2 billion in solid waste disposal.

COMPUTER EQUIPMENT: Sales of U.S. computer products are expected to grow 25-percent annually to over \$600 million in 1993 as U.S. suppliers capture 50 percent of the market. Sales of mainframes, small business computers, minicomputers, 32-bit microcomputers and sophisticated peripherals will be brisk.

ELECTRONIC COMPONENTS: Taiwan has become one of the world's largest exporters of personal computers with 1989 exports totaling over \$1 billion. Many of the highest value-added items in the typical export computer (system software, micro-controller, memory chips, and disk drive) were imported.

SEMICONDUCTOR MANUFACTURING EQUIPMENT: Taiwan is poised to become the world's 4th largest semiconductor manufacturer in the world -- after Japan, the United States and Korea. \$900 million will be invested in 1990 alone. Equipment and materials used in integrated circuit production -- from wafer fabrication to packaging -- are needed on Taiwan.

AUTOMATED PRODUCTION EQUIPMENT: The automated production equipment market is projected to expand at an average annual rate of 20 percent through 1993, to reach \$8 billion. The greatest demand will be for CAD/CAM systems, automatic guided vehicles and automatic warehouse equipment, industrial robots and NC/CNC machine tools.

INDUSTRIAL PROCESS CONTROLS (IPC): Imports may grow 16 percent per annum to over \$1 billion by 1992. American suppliers should be highly competitive in the growing market for electronic/electric IPCs and computer-based control systems.

TELECOMMUNICATIONS: The Directorate General of Telecommunications will spend \$5.4 billion over the next few years on an island-wide digital network system. Equipment procurement for 1990, 1991, and 1992 is estimated at \$700 million annually.

MASS TRANSPORTATION EQUIPMENT AND SERVICES: The \$15-billion Taipei rapid transit project, to be completed in 1999, will include several billion dollars worth of foreign procurement. The \$6 billion Kaohsiung Mass Rapid Transit System, the \$10.3 billion West Coast Corridor High-speed Railway project, and the new deep-water harbor project will create engineering consulting service and major foreign equipment procurement opportunities for U.S. firms.

SCIENTIFIC INSTRUMENTS: Sales of laboratory and scientific instruments -- totaling \$680 million in 1989 -- could increase 25-30 percent per year through 1993. The best sales opportunities include analytic instruments, electronic instruments, and material testing equipment.

POWER PLANTS: The Taiwan Power Company's (Taipower) plan to build a fourth nuclear power plant has been included in Taiwan's six-year development plan. But it still faces stiff opposition from some elected local officials and environmental groups. If the plant is approved, foreign equipment purchases would amount to \$4.2 billion. In 1991 the Chinese Petroleum Corporation will begin issuing invitations to bid on four cogeneration plants to be built over the next four years at a cost of almost \$500 million.

AUTOMOBILES AND PARTS: In 1991, imports of American passenger cars are projected to reach 65,000 units, accounting for approximately one-half of all automobile imports. Concurrent with the expansion in American car imports, the after-sales-service market for American parts and accessories is growing rapidly. In addition, some U.S. parts manufacturers have started to sell parts and components -- on an original equipment manufacturing (OEM) basis -- to Taiwan's ten automobile assembly plants.

MEDICAL AND PHARMACEUTICAL: As a result of the imminent establishment of universal health insurance coverage, the medical market in Taiwan is growing rapidly. The total health care products market has been increasing at an average of 20 percent a year to approximately \$1.5 billion in 1990. American firms are particularly competitive in the high end of the equipment market as well as in medical services.

BUILDING SUPPLIES AND CONSTRUCTION EQUIPMENT: Many Taiwan design and architectural firms are reaching out for new, high quality imported products. The public housing market, especially for high-rise apartments, remains robust. On the construction equipment side, imports are playing a very important role in the numerous infrastructure development projects presently underway.

AEROSPACE AND AVIATION EQUIPMENT: In 1990, China Airlines purchased two Boeing 737 aircraft and placed an option to purchase four additional Boeing 737's. China Airlines recently announced that it would form a new subsidiary that is also expected to make significant purchases. Several other smaller private airlines have started operations over the last year. At the same time, several airports around the island are planning extensive expansion and renovation projects.

COSMETICS: As disposable income rises on Taiwan, imports of cosmetics are growing rapidly. Total imports grew by 30-35 percent in 1990, reaching over \$50 million. U.S. companies have a 25-percent share of this market. The markets for imported cosmetics and toiletries are expected to continue to expand rapidly as imported products gain the advantage over local brands.

FOOD PROCESSING, HOTEL AND RESTAURANT EQUIPMENT: Due to a general tendency toward increased consumption of Western-style food, food processing, food packaging, supermarket equipment, hotel and restaurant equipment imports from the United States are very strong.

PROCESSED FOODS: Sales of imported fruit juices, fruits, beef and convenience foods saw increases in 1990 and are expected to continue to grow over the medium term.

1991 TRADE SHOWS

05/15/91 - 05/19/91

05/24/91 - 05/28/91

06/04/91 - 06/10/91 09/17/91 - 09/21/91

November 1991

11/19/91 - 11/23/91

12/05/91 - 12/08/91

12/19/91 - 12/23/91

Taipei Int'l Auto Show (TWTC)

(THIC)

Taipei Int'l Construction. Hardware, Houseware &

Building Materials Show (TWTC)

COMPUTEX (TWTC)

Taipei Plastics (TWTC)

Medical Show

Taipei Aerospace Technology

Exh. (TWTC)

Taipei Int'-L Travel Fair

(SA)

Taiwan Building Materials

Show (TWTC)

Key: TWTC - Taipei World Trade Center SA - Sungshan Airport

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
02. Cable	Forwarded from the White House Situation Room to Doug Paal and others RE: Taipei American Chamber of Commercee letter to President Bush (5 pp.)	08/09/91	P-1, F-1, P-5	С
National S Doug Paal FILE LOCATIO		OA/ID Num Date Closed	ber CF01511 08/09/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information |(a)(1) of the PRA|

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

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PRM. Closed as a personal record misflie.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information |(b)(1) of the FOIA|

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

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F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
03b. Cable	From AIT, Taipei to AIT, Washington D.C. RE: President Lee Teng-hui (4 pp.)	08/13/91	P-1, F-1, P-5	S
	dential Records ecurity Council Files			
FILE LOCATIO Taiwan-U.	N S. 1991 [2]	OA/ID Num Date Closed	ber CF01511 08/09/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA] White House Staff and Office Files - Douglas Paal Files (NSC)

Folder Title - Taiwan-U.S. 1991 [3] Re: President Lee's trip to the U.S.

Re: Taiwan follow-up meeting with CCNAA officials Re: CCNAA guidelines for national reunification Re: Oral message from President Bush to President Lee

Correspondence from President Lee Teng-hui, Re: Desert Storm

Re: Enhanced proliferation controls

News stories about possible aid to countries, Re: Gulf War

Taiwan guidelines Re: Taiwan air defense

Re: Further comments on meeting with President Lee Teng-hui

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
04. Cable	Forwarded from the White House Situation Room to Doug Paal and others RE: President Lee's trip to the U.S. [SENT FOR AGENCY REFERRAL] (2 pp.)	06/14/91	P-1, F-1	S
	idential Records ecurity Council Files			
FILE LOCATIO		OA/ID Num	ber CF01511	
		Date Closed	08/09/2002	

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- F-8 Release would disclose information concerning the regulation of financial institutions |(b)(8) of the FOIA|
- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
05a. Memo	From Ed Rogers to Doug Paal RE: Taiwan follow-up meeting with CCNAA officials [SENT FOR AGENCY REFERRAL] (1 pp.)	06/03/91	P-1, F-1	
	dential Records ecurity Council Files			
FILE LOCATION		OA/ID Num	ber CF01511	
		Date Closed	08/09/2002	

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	nal Unification passed from [SENT FOR AGENCY	OA/ID Num	

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
AND TYPE 06c. Cable	From Secretary of State to AIT, Taipei RE: Oral message from President Bush to President Lee [SENT FOR AGENCY REFERRAL] (2 pp.)	05/17/91	P-1, F-1	С
National S Doug Paal FILE LOCATIO		OA/ID Num	ber CF01511 08/09/2002	

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NSC/S PROFILE

RECORD ID: 9101475 RECEIVED: 28 FEB 91 13

TO: PRESIDENT

FROM: LI TENG-HUI

DOC DATE: 04 MAR 91

SOURCE REF:

KEYWORDS: BELGIUM

KUWAIT

DESERT STORM

HS

IRAQ

PORTUGAL

PERSONS: DE KLERK, FREDERIK W

CALDERON, RAFAEL

DE MONTILLE, E

BRUNDTLAND, GRO

SUBJECT: LTR TO PRES FM PRES TENG-HUI OF TAIWAN RE CONGRATULATIONS FOR

OPERATION DESERT STORM

ACTION: APPROPRIATE ACTION

DUE DATE: 11 MAR 91

STATUS: S

STAFF OFFICER: ROSTOW

LOGREF: 9101452 9101457

FILES: WH

NSCP:

CODES: '

DOCUMENT DISTRIBUTION

FOR ACTION

ROSTOW

FOR CONCURRENCE

FOR INFO

BAKER, J

SALVETTI, L

UNCLASSIFIED UPON REMOVAL OF

COMMENTS: .							
DISPATCHED	ВҮ		DATE	вч	HAND	W/ATTCH	
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AMERICAN INSTITUTE IN TAIWAN

1700 N. Moore Street Suite 1700 Arlington, Virginia 22209 Tet (703) 525-8474 Fax: (703) 841-1385

CONFIDENTIAL

March 5, 1991

MEMORANDUM

TO:

EAP/RA/TC - Ms. Barbara Schrage

FROM:

AIT/W - Clarke N. Ellis MO

SUBJECT:

Message to President Bush from President Lee

Attached for your action are the Chinese and English translation of a message to the President from President Lee Teng-hui from Taiwan. The message congratulates the President on the success of the allied forces in the Gulf War, and on the leadership of the United States in securing the liberation of Kuwait. I also attach a copy of the transmittal letter to me from CCNAA Representative Ding Mou-Shih.

Attachments:

As stated.

cc: NSC - Mr. Doug Paal

0556J/jyl

UNCLASSIFIED UPON REMOVAL OF CLASSIFIED ATTACHMENTS

CASE NO. 99-0182-F

CONFIDENTIAL

Coordination Council for North American Affairs
Office in U.S.A.

TRANSLATION

PRESIDENT OF THE REPUBLIC OF CHINA

March 4, 1991

His Excellency George W. Bush President The United States of America The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500 U.S.A.

Dear President Bush,

I wish to join all my compatriots in extending to you and the American people our sincerest congratulations on the victory of the allied forces in the Gulf War. The United States, in particular, should be given special credit for having led the coalition in its mission to liberate Kuwait. Indeed, the victory must be seen as a triumph for all mankind, for the rule of law and for what is right.

The entire international society must now also join hands to work for the reinstitution of a new global order, including a fresh regional peace initiative in the Middle East. I would therefore like to take this opportunity to assure you of the firm and strong support my country has for you and the American people in this great endeavour of building a new world order of lasting peace and justice.

With warmest personal regards,

Sincerely,

(Signed) Lee Teng-hui

Office in U.S.A.: 4201 Wisconsin Avenue, N.W. Washington, D.C. 20016-2137 Tel: (202) 895-1800 Head Office: 133 Po Ai Road Taipei Tel: (02) 311-9212



貴國領導盟國部隊獲得波斯 國際社會應辯手為重建世 本人及我全體國民謹 項勝利確應視為人類法 國光復科威持之行 致最誠擊之質此



個 千年三月四日 及美國人民在建立 個新 E

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
08. Cable	Forwarded from the White House Situation Room to Doug Paal and others RE: Enhanced proliferation controls (2 pp.)	03/12/91	P-1, F-1, P-5	С
	idential Records ecurity Council Files		7	
FILE LOCATIO Taiwan-U.	N S. 1991 [3]	OA/ID Num	ber CF01511	
		Date Closed	08/09/2002	

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
10. Cable	From AIT, Taipei to AIT, Washington D.C. RE: News stories about possible aid to countries afflicted by the Gulf War - Redaction of annotations [DOCUMENT FOLLOWS] (1 pp.)	02/25/91	P-1, F-1, P-5	
	dential Records ecurity Council Files			
FILE LOCATIO Taiwan-U.	S. 1991 [3]	OA/ID Num	ber CF01511 08/09/2002	

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Department of State

PRELICAN TELEGRAM

5951 EAP2725

PAGE 31 OF 82 AIT TA 81338 80 OF 82 251814E ACTION CAP-23 5961 [AP2725

ACTION OFFICE TC-03

INFO OCT-01 CM-03 P-01 RA-01 EAP-04 /013 A1 DT

INFO LOG-GG ADS-DB AIG-DB AIT-B3 CIAC-BB DODE-BB EB-DB INFC-DB INR-B2 MEA-DB MSAE-BB MSCE-BB FA-D1 PM-DB PRS-D1 P-B2 SB-BB SP-BB SSO-BB SS-BB IRSE-BD USIC-BB /B174

O 2518182 FEB 91
FM AIT TAIPE!
TO AIT WASHOC IMMEDIATE
INFO RUCHBJ/AMEMBASSY BEIJING IMMEDIATE

LIMITED OFFICIAL USE TAIPE! \$133#

ALT/V PASS STATE

E. 8. 12356: M/A
TAGS: PREL, TV, XF
SUBJECT: NEVS STORIES ABOUT POSSIBLE AID TO COUNTRIES
AFFLICTED BY THE MIDDLE EAST WAR

 too we call to your attention the following two stories which will also appear in the media summary, comment will follow by septel.

.....

2. (U) STORIES:

CHIMA TIMES: U.S. OFFICIAL HINTS TAIWAM SHOULD PROVIDE MORE AID

- CHIMA TIMES, WASHINGTON DATELINE, BY MORMAN FU.
*U.S. OFFICIAL POINTS OUT THAT WE SHOULD SHARE
MILITARY EXPENDITURES.* FEB. 24:

A RANKING OFFICIAL IN THE BUSH SOMENISTRATION GAVE A
STRONG MINT YESTERDAY THAT GIVEN TAIWAN'S WEALTH,
TAIPEL SHOULD JOIN OTHERS IN PROVIDING ASSISTANCE TO
COUNTRIES AFFLICTED BY THE GULF WAR.

REPLYING TO QUESTIONS ON TAIWAN'S FINANCIAL ASSISTANCE IN THE GULF WAR, KEEL JACKSON SPECIAL ASSISTANT FOR ASIAN AFFAIRS OF THE UNITE HOUSE'S MATIONAL SECURITY COUNCIL, SAID, "THIS IS A MATTER THAT'S UP TO TAIWAN," AT A SEMINAR SPONSORED BY THE THE MERITAGE FOUNDATION.

HOWEVER, GIVEN ITS PROSPERITY, JACKSON SAID, TAIWAN IS CAPABLE OF BEING AMONG THOSE PROVIDING ASSISTANCE TO THOSE AFFECTED BY THE GULF WAR. AS TO WHETHER TAIWAN SHOULD PROVIDE THE ASSISTANCE BY FORMAL OR INFORMAL MEANS, "WISE MEN WILL THIMK OF A WAY," SAID JACKSON.

CHEM HSI-FAM, CCHAR DEPUTY REPRESENTATIVE TO MASHINGTON, WHO WAS PRESENT AT THE SEMIMAR, DID NOT COMMENT ON JACKSON'S VIEWS. CHEM LATER TOLD THE SEMIMAR THE REPUBLIC OF CHIMA HAS ALREADY OFFERED USDS# MILLION.

EXCEPT FOR PUBLIC STATEMENTS BY SOME CONGRESSMEN

URGING TAIPE! TO PROVIDE ASSISTANCE AND SHARE THE HILLITARY EXPENDITURES, SOURCES SAID THE U.S. GOVERNMENT HAS NOT SUBHITTED ANY SUCH REQUESTS TO TAIPE!. AIT TA 81330 80 OF 02 2518142
INFORMED SOURCES SAID FREDERICK CKIEN, MINISTER OF
FOREIGN AFFAIRS, WAS CREETED BY CONAA REPRESENTATIVE
DING MOU-SKIN QURING CHIEN'S STOPOUR IN NEW YORK.
THE HEETING WAS SIMPLY DING'S COURTEST VISIT WITH
CHIEN, THE SOURCES SAID, AND WAS NOT FELATED TO THE
U.S. BURDENSHARING PLANS. A NOVLEDSLARLE SOURCE
SAID CHIEN'S STAY IN NEW YORK WAS TO SEE HIS SON WHO
WAS WORKING IN THE UNITED STATES.

IN ADDITION, AIT CHAIRMAN MATALE BELLOCCHI'S TRIP TO TAIPE! MEXT WEEK IS NOT RELATED TO THE BURDENSHARING PLAN. BELLOCCHI IS SCHEDULED TO ARRIVE IN TAIPE! ON MARCH 5 FOR A 23-DAY VISIT. THIS IS BELLOCCHI'S ROUTINE SIX-MONTH IMSPECTION. HIS LAST TRIP WAS IN SEPTEMBER OF LAST YEAR. GULL) (KC)

CHIEN SAYS U.S. NOT HINTING FOR TAIWAN TO PROVIDE GULF AID

- CHIMA TIMES, JENIFFER YIM, "DOES U.S. STRONGLY IMPLY WE SHOULD EXTEND ECONOMIC AID TO MIDDLE EAST? FREDRICK CHIEN DOES NOT THINK SO," FOR. 25:

WITH REGARD TO "STRONG HINTS" GIVEN BY BUSK AIDE KARL JACKSON AT A RECENT SEMINIAR -- THAT TALPET THE PART IN AIDING COUNTRIES HURT BY THE GULF WAR -- FOREIGN

MINISTER FREDRICK CHIEN SAID YESTERDAY THAT HE DOES NOT THINK JACKOSM'S REMARKS WERE IN FACT A "STRONG U. S. HINT" TOWARD OUR COUNTRY.

CHIEN SAID JACKSON, WHILE ANSWERING GUESTIONS FROM PARTICIPANTS, DID NOT ACTIVELY PUT FORWARD SUCH A VIEW. INSTEAD IT WAS A CONCLUSION DRAWN BY OUSIDERS THAT HIS REMARKS REPRIENT A "STRONG INTIMATION" ON THE PART OF THE BUSH ADMINISTRATION. "I DO NOT THINK THAT WAY," CHIER SAID.

JACKSON ATTEMPED THE SEMINAR HOSTED BY THE HERITAGE

FOUNDATION AND RESPONDED TO QUESTIONS ON THE GULF WAR BY SAYING THAT WITH ITS AFFLUENCE TAIWAN COULD ADEQUATELY TAKE PART IN MAKING CONTRIBUTIONS TO COUNTRIES AFFECTED BY THE GULF WAR. HE ALSO STRESSED THAT THIS IS A MATTER THAT SHOULD BE CECIDED BY TAIWAM.

AS TO WMETHER THE UPCOMING TAIPE! VISIT BY AIT BOARD CHAIRMAN NATALE BELLOCCH! MEXT WEEK WILL BE LINKED TO BURDENSMARING ON THE PART OF TAIMAN, CHIEN SAID BELLOCCH! IS GMLY MAKING A ROUTINE INSPECTION OF AIT OPERATIONS. ACCORDING TO A FOREIGN MINISTRY OFFICIAL WHO SERVED IN THE U.S. FOR MANY YEARS, SINCE BELLOCCH!'S WIFE IS FROM TAIMAN, HE NATURALLY IS VERY WILLING TO TAME THE OPPORTUNITY TO ALLOW HIS MIFE TO RETURN HER HOME AND MEST WITH RELATIVES. THE OFFICIAL STRESSED THAT BELLOCCH! IS CATEGORICALLY NOT

A U.S. OFFICIAL TAKING PART IN DECISION MAKING, BUT ONLY AN "INTERMEDIARY" IMPIREN, MATCHMAKER) FOR DIALDGUE ON RELEVANT BUSINESS BETWEEN THE U.S. AND TAINAN.

CHIEM STRESSED, NOWEVER, THAT THE FOREIGN MINISTRY'S POSITION REMAINS UNCHANGED ON THE MATTER, THAT IF WE ARE GOING TO PROVIDE ASSISTANCE TO MATIONS AFFECTED BY THE WAR OR EXTEND AND FOR RECONSTRUCTION WORK IN THE WARE OF THE WAR, THE MAIN QUESTION IS SHORTAGE OF



Department of State

INCOMING TELEGRAM

PAGE 82 OF 82 ATT TA 81338 68 OF 82 1510142 FUNDS IN THE BUDGET. NEITHER THE FOREIGH MINISTRY"2 BUDGET NOR THE EXECUTIVE YUAN'S RESERVE FUND COULD ACCOMPOSATE SUCH EXPENDITURES. SO WE WOULD HAVE TO ALLOCATE A SPECIAL BUDGET TO OBTAIN HEW FINANCE ALL RESOURCES. THIS, HE ADDED, IS BEYOND THE POWERS OF HIS MINISTRY AND REQUIRES THAT THE FINANCE MINISTRY WORK OUT THE BUDGET.

CHIEN FURTHER ELABORATED THAT UP TO HOW, NO COUNTRY HAS FORMALLY REQUESTED TAIWAN TO PROVIDE THE ASSISTANCE, HOR CAN OUR COUNTRY SHARE THE MILITARY BURDEN FOR THE HIDDLE EAST WAR.

HOREOVER, THE OFFICIAL POINTED OUT THAT THE HIMISTRIES OF FOREIGN AFFAIRS AND ECONOMIC AFFAIRS HAVE JOINTLY COORDINATED ON USING OUR INTERNATIONAL COOPERATION AND DEVELOPMENT FUND TO PROVIDE HONEY FOR MATIONAL RECONSTRUCTION FOR THOSE MATIONS AFFECTED BY THE WAR. IN FACT, OUR BES ENGINEERING CORPORATION AND RET-SER ENGINEERING AGENCY ARE BOTH ABLE TO TAKE

PART IN THE REHABILITATION WORK. THESE AGENCIES CAN ALSO ACCEPT ENGINEERING PROJECTS IN THE MIDDLE EAST REGION AND HAVE ALREADY UNDERTAKEN SOME. THEY HAVE CONSIDERABLE KNOWLEDGE ABOUT THE REAL NEEDS OF THE MIDDLE EAST NATIONAL GIVEN THE LIMITATIONS OF OUR CURRENT BUDGET, COMBINING INTERNATIONAL DEVELOPMENT FUNDS WITH THE EXPERIENCE OF BES AND THE RETR-SER ENGINEERING AGENCY SHOULD BE VELCOMED BY THE COUNTRIES TO BE ASSISTED. AT THE SAME TIME, THIS IS WHAT OUR COUNTRY CAN DO. (FULL) (YI YU) BROOKS

5961 E492725



United States Department of State

Washington, D.C. 20520

MEMORANDUM TO:

October 3, 1990

Mr. Brent Scowcroft National Security Affairs Advisor The White House

Mr. James R. Pittman Acting Executive Secretary Central Intelligence Agency

Colonel John A. Dubia Executive Secretary Department of Defense

Other Addresses (see attached)

Subject: Taiwan Guidelines

This memorandum reviews the existing guidelines for the conduct of our unofficial relations with the people on Taiwan. Please ensure that they receive broad circulation within your Department or Agency.

In establishing diplomatic relations with the People's Republic of China (PRC), the U.S. Government recognized the PRC Government as the sole legal government of China. Both sides agreed that, within this context, the people of the United States would maintain cultural, commercial and other unofficial relations with the people on Taiwan. The President has reaffirmed this policy.

The Taiwan Relations Act (TRA) (Public Law 96-8 of April 10, 1979) provides the legal framework for the conduct of these unofficial relations. In the absence of diplomatic ties, the TRA stipulates that programs, transactions, and other relations conducted or carried out by the President or any agency of the U.S. Government with respect to Taiwan shall be conducted and carried out by or through the American Institute in Taiwan (AIT). AIT, a nonprofit corporation headquartered in Rosslyn, VA, with offices in Taipei and Kaohsiung on Taiwan, is under contract to the Department of State to perform these functions.

Taiwan has established a counterpart organization to AIT called the Coordination Council for North American Affairs (CCNAA). CCNAA has its U.S. headquarters in Washington, DC and other offices in major cities around the United States The unofficial relations between the people of the United States and the people on Taiwan are carried out through these two private organizations.

This framework has proven effective; trade and other unofficial relations with Taiwan have expanded dramatically since 1979.

Guidelines for specific areas of the conduct of unofficial relations with Taiwan are as follows:

- Terminology: Consistent with the unofficial nature of U.S.-Taiwan ties, the U.S. Government no longer refers to Taiwan as the "Republic of China" -- a term reflecting Taipei's continuing claim to be the government of China. Nor does the U.S. Government refer to Taiwan as a "country" or a "government." We refer to Taiwan simply as Taiwan, and to its leadership as "the Taiwan authorities."
- Correspondence: Executive Branch departments and agencies should not correspond directly with their counterparts on Taiwan or with CCNAA. All such correspondence must take place through, and under the auspices of, AIT. This usually takes the form of a letter from AIT Washington or AIT Taipei, incorporating the view of the concerned U.S. department or agency, to CCNAA in Washington or Taipei.
- Unofficial Meetings and Contacts: Guidelines concerning unofficial meetings and contacts between Executive Branch personnel and CCNAA, or visitors from Taiwan, are complex. In general, these should take place at AIT or in other non-official settings -- not in Executive Branch offices. Questions should be directed to the Taiwan Coordination Staff (EAP/RA/TC) at the Department of State (telephone 202-647-7711).
- Twin Oaks: Executive Branch personnel may not attend functions at Twin Oaks, the former residence of the "Republic of China" Ambassador. They may, however, accept invitations to social functions held at homes of CCNAA personnel.
- "Double Ten" Celebrations: The Taiwan authorities celebrate
 October 10 as the anniversary of the founding of the
 "Republic of China." In general, officials at all levels
 of the foreign affairs agencies (State, NSC/White House,
 Defense, and CIA), as well as officials above the rank of
 GS-14 from any other part of the Executive Branch, may not
 attend the formal CCNAA reception held on that day.
 Questions regarding attendance by Executive Branch
 personnel at receptions hosted by CCNAA in honor of this
 event on other days should be directed to the Taiwan
 Coordination Staff.
- Travel: Executive Branch personnel who contemplate travel to Taiwan for work-related reasons must have prior concurrence from the Taiwan Coordination Staff (fax 202-647-7350). Such personnel travel to Taiwan as consultants to AIT. Senior Executive Branch officials at

or above the level of assistant secretary, embassy counselor or consul general, and three star flag officer must obtain clearance from the State Department for personal travel as well. All travel must be on a regular (tourist) passport.

Gifts: U.S. law and government guidelines on gifts from foreign sources, including travel expenses, apply to Executive Branch personnel in their relations with Taiwan and CCNAA. Questions should be directed to the concerned recipient's department or agency ethics office.

Questions on policy matters related to these guidelines should be directed to the Taiwan Coordination Staff of the Department of State.

Questions on the actual conduct or procedural implementation of our unofficial relations should be directed to AIT (telephone 703-525-8474).

J. Stapleton Roy Executive Secretary

Attachment:

List of addressees

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
12. Memo	From Kent Wiedemann and Barbara Schrage to Richard Solomon RE: Taiwan air defense (4 pp.)	02/07/91	P-1, F-1, P-5	S
	dential Records ecurity Council Files			
FILE LOCATIO Taiwan-U.		OA/ID Num	ber CF01511	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information |(a)(1) of the PRA|

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA

P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

Date Closed

08/09/2002

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute [(b)(3) of the FOIA]

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS
13. Cable	Forwarded from the White House Situation Room to Doug Paal and others RE: Further comments on meeting with President Lee Teng-hui (3 pp.)	01/29/91	P-1, F-1, P-5	S
COLLECTION			9	
Bush Presid	dential Records ecurity Council Files			
Taiwan-U.		OA/ID Num	ber CF01511 08/09/2002	

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F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA| George Bush Vice Presidential Records

White House Office of Records Management (WHORM) Subject File Documents

CO034-01 - Letter from George Bush to David Kennedy

CO034-01 - Letter from David Kennedy to George Bush

CO034-01 - Letter from W.N. Morell to Don Gregg

CO034-01 - Letter from Peter Teeley to Washington Times

CO034-01 - Letter from Don Gregg to Donald Steenburgh

CO034-01 - Correspondence between George Bush and Hon. Rose Mofford

EN005 - Correspondence between George Bush and Harold DeMoss

FO008-02 - Hugh Gregg correspondence

July 21, 1982

The Honorable David M. Kennedy Chairman of the Board USA-ROC Economic Council 200 Main Street, P.O. Box 517 Crystal Lake, Illinois 60014

Dear David:

Pardon my long delay in answering your good letter of June 21. Life has been too darned hectic, and I have been on the road an awful lot.

Please thank Bill Morell for his offer to Don Gregg about a meeting with an official from Taiwan in order to exchange views.

As you may know, I did have a chance to visit informally with several distinguished friends from Taiwan. This was last fall when Jim Lilley was about to head off for his important new assignment.

I will keep in mind your very generous offer. Right now is probably not the best time. Not only is my own schedule a little full, but a meeting of this nature would have to be cleared with State and NSC, just as would any meeting I have with foreign officials. I just do not want to appear to our new Secretary or to Bill Clark at NSC that I am pushing myself into a posture of holding meetings that could complicate the active diplomatic work they are now involved in.

You mention leaks -- what a town this has become. Much worse on the leak front than when you were running Treasury.

It was great seeing you. If I find that a meeting such as you suggest will be helpful, I will surely take you up on the offer.

I have seen some attacks on the President because of his China policy. Frankly, these attacks burn me up. The President will keep his commitments; I am sure of that.

Great seeing you. Again my thanks.

Sincerely,

George Bush

cc: Don Gregg

bcc: Nancy Bearg Dyke

Jennifer Fitzgerald

GB:mac

To NDB for
Recommendation USA-ROC ECONOMIC COUNCIL
200 Main Street, P. O. Box 517

Crystal Lake, Illinois 60014 Phone 815/459-5875 - Telex 722447

DAVID M. KENNEDY Chairman of the Board

W. N. MORELL JR. President

EUGENE M. KEYS Secretary / Treasurer

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K. M. SMITH E-Systems, Inc.

GEORGE J. STATHAKIS General Electric Company

THEODORE STERN Nuclear Energy Systems Westinghouse Electric Corporation

LEONARD UNGER Ambassador (retired) (Honorary) June 21, 1982

Vice President of the United States White House

Dear Mr. Vice President:

Washington D.C. 20500

Chairman of the Executive Committee EVERITT A. CARTER Oak Industries, Inc. ROBERT H. DILWORTH Baker and McKenzie ROBERT W. GALVIN Motorola, Inc. W. N. MORELL JR. Ex Officio H. O. REINSCH Bechtel Power Corporation

EXECUTIVE DIRECTORS

DAVID M. KENNEDY

I want to express appreciation for the frank discussion we had in your office recently, following your return from the Far East. I found your report reassuring. I am surely glad that you are in the position that you are with the background and understanding of international and domestic issues.

I am enclosing a copy of the letter that Bill Morell wrote to Don Gregg about the possibility of an off the record and unpublicized meeting with some official from Taiwan in order to have an exchange of information on the issues involved. I would be most willing and happy to host such a meeting either in Washington, Chicago or elsewhere. Since you have just visited the People's Republic of China, it would be most appropriate, if your calendar would permit, for you to drop in on such an occasion, either for luncheon or dinner. I agree with Bill that Governor Yu would probably be the best person. He comes to the United States from time to time and is a very close personal friend. I am sure such a meeting could take place without any publicity unless there should be a leak through the bureaucracy of Washington.

awil 24 / Come de

National Distillers and Chemicals Corporation My very best wishes to you always.

Sincerely,

DMK/hr

USA-ROC ECONOMIC COUNCIL

200 Main Street, P. O. Box 517 Crystal Lake, Illinois 60014 Phone 815/459-5875 - Telex 722447

DAVID M. KENNEDY Chairman of the Board

W. N. MORELL JR. President

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GEORGE J. STATHAKIS General Electric Company

THEODORE STERN
Nuclear Energy Systems
Westinghouse Electric Corporation

LEONARD UNGER Ambassador (retired) (Honorary) June 1, 1982

Mr. Don Gregg National Security Staff Director Old Executive Office Building Pennsylvania Avenue Room 300 Washington DC 20506

EXECUTIVE DIRECTORS

DAVID M. KENNEDY Chairman of the Executive Committee EVERITT A. CARTER Oak Industries, Inc.

ROBERT H. DILWORTH Baker and McKenzie ROBERT W. GALVIN Motorola, Inc.

W. N. MORELL JR. Ex Officio

H. O. REINSCH Bechtel Power Corporation

Dear Don,

During our conversation with Vice President Bush, he expressed interest in the idea that some senior person might visit the US from Taipei for the purpose of gaining a first hand view of US policy toward Taiwan. This would involve an off-the-record and totally unpublicized meeting with a senior US official, such as the Vice President, and would be handled quietly much like the visit of Admiral Soong.

Despite periodic reassurances, the government on Taiwan believes its position has steadily eroded over the past year or so and because of this I believe the US is in danger of losing much of its credibility with the leadership there. If the US were to provide a clarification of its policy directly to a senior person on Taiwan, rather than through a third party, I believe it would do much to allay concern among the leaders on Taiwan.

One candidate for the kind of meeting I have in mind would be Central Bank Governor Yu, Kuo-hua. Governor Yu is also Chairman of the Economic Council for Planning and Development and is respected and trusted by President Chiang. In the past he was considered a leading contender for the position of Premier. He is a careful and prudent person who would accurately report whatever transpired in any meeting that might be arranged.

There is another advantage in selecting Governor Yu. He is a frequent visitor to the US, because of his contacts with senior US bankers, and it would be quite natural for him to be in the US at almost any time.

The meeting could take place at lunch or dinner in a

.../2 ...

private home and, if it would be helpful, I am confident that Ambassador Kennedy would be willing to play host.

If you have any thoughts or questions, please give me a call.

Best personal regards.

Sincerely,

W. N. Morell, Jr.

c.c. Ambassador David M. Kennedy

August 10, 1982

The Washington Times 3600 New York Avenue Washington, D.C. 20002

Letters to the Editor:

Your article headlined, "Right wing fears desertion of Taiwan," reports that Vice President Bush "told Peking the Taiwan Relations Act is basically a nuisance."

As one who attended the Vice President's meetings with Chinese leaders, that statement is flat wrong as is the other reference to him. This is a ridiculous claim by a source who doesn't know what he or she is talking about.

Sincorely,

Peter E. Teeley Press Secretary to the Vice President

-RC

405-2-C034-1

May 20, 1983

Mr. Donald R. Steenburgh Exchange Director *Friendship Force Office 2 West Franklin Street Richmond, Virginia 23219

Dear Mr. Steenburgh:

This is in response to your letter concerning the planned visit of members of the Friendship Force to Taiwan. The program your organization sponsors is the kind of people-to-people exchange that forms the basis of the unofficial relations between the people of the United States and the people of Taiwan.

As the President stated on August 17, 1982, with regard to the people of Taiwan: "My longstanding personal friendship and deep concern for their well-being is steadfast and unchanged. I am committed to maintaining the full range of contacts between the people of the United States and the people of Taiwan...Such contacts will continue to grow and prosper and will be conducted with the dignity and honor befitting old friends." To this end, the Administration has continued to pursue mutually beneficial commercial, cultural and other relations with the people of Taiwan.

Since we switched our recognition from Taipei to Beijing on January 1, 1979, there are no governmental relations between the United States and Taiwan. Unofficial people-to-people ties are promoted by the American Institute in Taiwan (AIT), which has offices in Washington and Taiwan. For further information, you may want to contact Mr. David Dean, Managing Director, or Mr. James Lilley, Director of

the Taipei office. Mr. Dean is located at American Institute in Taiwan, 17th Floor, 1700 North Moore Street, Arlington, Virginia 22209, phone (703) 525-8474. Mr. Lilley can be reached in Taipei at AIT, 7, Lane 134, Hsin Yi Road, Section 3, Taipei, Taiwan, phone 780-4150.

Best wishes for the success of your programs,

Sincerely,

SIGNED

Donald P. Gregg Assistant to the Vice President for National Security Affairs

February 29, 1984

The Honorable Rose Mofford Secretary of State of Arizona State House Phoenix, Arizona 85007

Dear Secretary Mofford:

Thank you for your letter transmitting a Concurrent Memorial passed by the Arizona State Thirty-sixth Legislature urging that the President reestablish official governmental relations with Taiwan.

As the President stated on August 17, 1982, with regard to the people of Taiwan: "My longstanding personal friendship and deep concern for their well-being is steadfast and unchanged. I am committed to maintaining the full range of contacts between the people of the United States and the people of Taiwan. . . Such contacts will continue to grow and prosper and will be conducted with the dignity and honor befitting old friends." To this end, the Administration has continued to pursue mutually beneficial commercial, cultural and other relations with the people of Taiwan. The American Institute in Taiwan has actively promoted the expansion of these ties and will continue to do so.

The Taiwan Relations Act provides specific guarantees to Taiwan, among them that "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability." The President has expressed his personal commitment to this policy.

Thank you for writing to convey your views on this matter.

Sincerely,

George Bush



The Secretary of State

Phoenix, Arizona

December 27, 1983

'84 JP 23 A8:23



ROSE MOFFORD SECRETARY OF STATE

The Honorable George Bush
Vice President of the United States and
President of the Senate
Dirksen Office Building
Washington, D. C. 20501

Dear Mr. Vice President:

The Arizona State Thirty-Sixth Legislature, First Special Session, 1983, passed House Concurrent Memorial 2001 urging the President of the United States to reestablish official governmental relations with the Republic of China and urging the Congress of the United States to take any necessary action to provide specific guarantees for the Republic of China.

The members of the Legislature have asked me to transmit the enclosed copy of this Memorial to you for your consideration.

Sincerely,

ROSE HOFFORD

SECRETARY OF STATE

rpm Enclosure

ROSE MOFFORD

SECRETARY OF STATE

State of Arizona House of Representatives Thirty-sixth Legislature First Special Session 1983

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HOUSE CONCURRENT MEMORIAL 2001

A CONCURRENT MEMORIAL

URGING THE PRESIDENT OF THE UNITED STATES TO REESTABLISH OFFICIAL GOVERNMENTAL RELATIONS WITH THE REPUBLIC OF CHINA AND URGING THE CONGRESS OF THE UNITED STATES TO TAKE ANY NECESSARY ACTION TO PROVIDE SPECIFIC SECURITY GUARANTEES FOR THE REPUBLIC OF CHINA.

To the President and the Congress of the United States of America: Your memorialist respectfully represents:

Whereas, the Republic of China has been and continues to be one of the most faithful allies of the United States since its founding in 1912, having militarily and politically supported our country during World War I, World War II, the Korean War and the Vietnam War; and

Whereas, the Republic of China has built a successful, prosperous and free economy out of the ashes of a half century of revolution, invasion and civil war and now serves as a major trading partner of the United States; and

Whereas, the Republic of China holds a pivotal, strategic position in the defense of East Asia and the Western Pacific, which is vitally important to the interest and the defense of the United States, with extensive air and naval base systems available to the United States on request, and has always utilized its military power in the interests of the free world; and

Whereas, the political and economic stability of the Republic of China and the freedom way of life, high standard of living and fundamental human rights of its 18 million people, and the military security of this nation, would be significantly enhanced by the reestablishment of official diplomatic and military relations between the Republic of China and the United States.

Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

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 That the President of the United States reestablish official governmental relations with the Republic of China and that the Congress of the United States take all necessary actions to provide specific security guarantees for the Republic of China.

2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Congress of

the United States.

3. That the Secretary of State of the State of Arizona transmit copies of this Memorial, in care of George Y. Yeh, Arizona Coordinator for the Republic of China, to President Chiang Ching-kuo, Republic of China; Premier Sun Yun-suan, Republic of China; Minister Fu-sung Chu, Ministry of Foreign Affairs, Republic of China; Minister Kuo-hwa Yu, Chairman of the Council for Economic Planning and Development, Republic of China; Minister Chao Yao-tung, Ministry of Economic Affairs, Republic of China; Minister Hsu Li-teh, Ministry of Finance, Republic of China; Minister Mo Sung-nien, Overseas Chinese Affairs Commission, Republic of China, and Representative Fredrick F. Chien, Coordination Council for North American Affairs.

Passed the House - December 7, 1983, by the following vote:

45 Ayes, 5 Nays, 10 Not Voting

Passed the Senate - December 20, 1983 by the following vote:

22 Ayes, 2 Nays, 6 Not Voting

Filed in the Office of the Secretary of State - December 21, 1983.



UNITED STATES OF AMERICA STATE OF ARIZONA

SS.

I, ROSE MOFFORD, Secretary of State, do hereby

CEPTIFY THE ATTACHED DOCUMENT IS A TRUE, CORRECT AND COMPLETE COPY OF HOUSECONCURRENT MEMORIAL 2001, THIRTY-SIXTH LEGISLATURE, FIRST SPECIAL SESSION, 1983, URGING THE PRESIDENT OF THE UNITED STATES TO REESTABLISH OFFICIAL GOVERNMENTAL RELATIONS WITH THE REPUBLIC OF CHINA AND URGING THE CONGRESS OF THE UNITED STATES TO TAKE ANY NECESSARY ACTION TO PROVIDE SPECIFIC SECURITY GUARANTEES FOR THE REPUBLIC OF CHINA; THAT I AM THE OFFICIAL OF THE STATE OF ARIZONA IN CUSTODY AND CONTROL OF THE ORIGINAL OF SAID DOCUMENT AND THE LEGAL KEEPER THEREOF.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the Great Seal of the State of Arizona. Done at Phoenix, the capital, this 27TH day of DECEMBER A.D. 1983.

POSE MOFFORD

EN005 CO 034-01

OFFICE OF THE VICE PRESIDENT CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: NOVEMBER 05, 1987

NAME OF CORRESPONDENT: MR. HAROLD R. DEMOSS, JR.

SUBJECT: REQUEST FOR LETTER OF CONGRATULATIONS FOR HIS

COMPANY TO USE IN BUSINESS IN TAIWAN

			AC	CTION	DIS	POSITION
ROUTE TO: OFFICE/AGE	NCY (STA	FF NAME)				C COMPLETED D YY/MM/DD
DON GREGG	REFERRAL NO	mp.	ORG	87/11/05		S 87/11/19
VICE PRESI	DENT GEORGE E REFERRAL NO	USH	RSI	87/11/05		C 87/I1/05
	REFERRAL NO	TE:		_/_/_		
	REFERRAL NO					
COMMENTS:						
ADDITIONAL	CORRESPONDEN	TTS: MEDI	A:L IND	IVIDUAL CO	DES: _	
MAIL	USER CODES:	(A)	(B)	(C)		
	**************************************	**************************************	******	********* *OUTGOI		*******
*C-COMMENT *D-DRAFT R *F-FURNISH *I-INFO CO	/RECOM ESPONSE FACT SHEET PY/NO ACT NEO REPLY W/COPY NATURE REPLY	*S-SUSPENDED	REFERRAL	*TYPE F	ODE = A	TIALS * SIGNER *

REFER QUESTIONS AND ROUTING UPDATES TO JEANNIE MOZLEY (ROOM 263, OEOB) EXT-2903
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO JEANNIE MOZLEY.

HAROLD R. DEMOSS. JR. 2900 SOUTH TOWER PENNZOIL PLACE HOUSTON, TEXAS 77002

November 2, 1987

The Honorable George Bush Vice President of the United States The White House 1600 Pennsylvania Avenue, N.W. Washington, D.C. 20500

Dear George:

My law firm is opening an office in Taiwan, and our associate over there advises us that it would be very helpful to have a group of congratulatory letters from public officials and government leaders here in Texas and in the United States to show to contacts which he will be making with business, legal and governmental officials over there.

I certainly do not expect you to favor us over our competitors, make any specific introductions, or do anything else that might subject you to any criticism in writing such a letter. For that reason, I have drafted and enclose herewith the form of such a letter which I think will satisfy our needs and at the same time limit you to simply expressing congratulations on our new business undertaking.

If you find the enclosed draft acceptable, please use it with such changes as you may deem appropriate in satisfying this request.

very sincerely,

Harold R. DeMoss, Jr.

HRD/db Enclosure 1HRDSM

OFFICE OF THE VICE PRESIDENT De Mos 5

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David Botes Called

Hol DeMons and

Explained why VP

Covered Send & Lette.

X 11-22

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Note w/attachment	From: Terry To: Boyden Gray RE: Request from Harold Demoss, Jr. (2 pp.)	11/06/87	P/S	
	OPEN ON END OF PRA RESTRICTIONS [DOCUMENT FOLLOWS]			
	Presidential Records - Subject File	Dw	6/17/02	
FILE LOCATION EN 005 [Case No. 526374VP]		OA/ID Num Date Closed	ber	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National Security Classified Information [(a)(1) of the PRA]
- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-3 Release would violate a Federal statute [(a)(3) of the PRA]
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|
- C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information |(b)(1) of the FOIA|
- F-2 Release would disclose internal personnel rules and practices of an agency |(b)(2) of the FOIA|
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- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

OFFICE OF THE VICE PRESIDENT WASHINGTON, D.C. 11/6

Forward to Boyden Gray

Boyden,
Would now look at this
for legal & ethical implications.

I have cleared it with
State Department - no problem
in terms of MS-PRC relations
as some as we only refer
to "Taiwen" as drafted.

Tenn.

OFFICE OF THE VICE PRESIDENT WASHINGTON

Date:	11/9/87	
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TO:

The Vice President

FROM: THOMAS J. COLLAMORE

A response for Mr. DeMoss, along the lines he requested, is attached (prepared by Don's office).

However, when clearing it with Boyden he recommended you not sign unless you have some personal reason for doing so. Once you start doing this sort of thing it will never end. Letters such as these can be used in ways beyond our control.

TO BE SENT BY CABLE

April 16, 1987

496322 JP 40008-02 00034-01

Mr. David Dean, Director American Institute of Taiwan

My friend, Sam Tamposi, will be in Taipei Monday staying at the Grand Hotel. He will be meeting with the Minister of High Technology. Tamposi, a major business figure in Florida, will be discussing bringing Taiwan industry into Florida. I would appreciate any advice your commercial people might give to Mr. Tamposi.

Warm personal regards.

NOTE ON FILE COPY: Per the Vice President's request, I called Mr. Tamposi's office to advise that the Vice President had cabled Mr. Dean regarding Mr. Tamposi's visit. I spoke to Sandy in Mr. Tamposi's office. Mr. Tamposi had not yet left for Taipei.

> linda casey 4/17/87

NOT SENT FROM RECORDS (WATER

HUGH GREGE

RFD 5 GREGG ROAD NASHUA, NEW HAMPSHIRE 03062

April 16, 1987

Grand Hotel

Dear Mr. Vice President,

Sam Tamposi called this morning to advise that he is leaving momentarily for Taiwan, where he will be staying at the Hotel Imperial in Taipei.

The purpose of his visit is to induce Taiwan industries to immigrate to Citrus Hills, Sam's major real estate development near St. Petersburg in Florida. Sam has coordinated his visit with Mel Thomson and is to meet with a member of the Ministry Department of Taiwan.

Sam requested that you be advised of his mission and any connections you may have in Taiwan would be most appreciated. He is also contacting Neil, as he is under the impression that Marvin is employed by the U.S. Department of Commerce.

Sam also wanted you to know that both he and Betty will be supporting you, though they are not yet ready to make public declarations.

opposition of the store of the Because he is spending most of his time in Florida, he thinks he perhaps could be of more help to you there than in New Hampshire.

His New Hampshire office phone number is: 603/883-2000, and he is here today.

Min. High

HG/gh

PHOTOCOPY GB HANDWRITING George Bush Vice Presidential Records White House Staff and Office Files - National Security Affairs

Folder Title - Taiwan-1987 Re: Wyoming coal mine sale Re: Wyoming coal mine sale

Letter to Hon. Yu Kuo-hua, Re: Wyoming coal mine sale Letter from Ted L. Hanks, Re: Wyoming coal mine sale

Re: Wyoming coal mine, details and history

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.	
03a. Memo	From: Terry Mattke To: the file RE: Wyoming Coal Mine Sale to Taiwan (1 pp.)	02/13/87	P <5		
	OPEN ON END OF PRA RESTRICTIONS [DOCUMENT FOLLOWS]				
	Presidential Records ecurity Affairs	Q ₁	06/17/08	-	
FILE LOCATION Taiwan - 1987		OA/ID Number 19836			
		Date Closed	4/6/2002		

RESTRICTION CODES

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- F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

MEMO FOR RECORD

13-Feb-87

Subject: Wyoming Coal Mine Sale to Taiwan, request for letter

P.M. Feb 12 '87:

Received request from Cong. Dick Cheney's office for VP letter endorsing the effort to sell the "Stansbury Coal Mine" to "interests in Taiwan. The sale is supported and endorsed by letter by entire Wyoming Congressional delegation, Sens Wallop, Simpson and Cong Cheney. Sen Wallop is currently visiting Taiwan. We were requested to respond within 24 hours.

Called Taiwan desk and discussed with Dave Brown. He knew nothing about the project. Asked him to consult with Commerce and provide recommendation.

Brown called back. In the absence of detailed info, he and Commerce recommended against letter.

Advised Cheney's office we would not be able to write letter.

Advised project contact, Jim Pardau, we would not be able to provide. He was civil, but persistent. "Reclamaed"... Mentioned "JIM EVERS", friend of the VP...offered to send additional information.

Accepted offer. Directed him to State and Commerce, Attn: Joe Yancick @ 377-1466.

A.M. Feb 13 '87:

Several calls from Pardau. He sent material FEDEXP.

Response from Yancick at Commerce. He "had some unanswered questions about the project," even after reading the material. Could not, in good faith, recommend that the VP endorse the project...no definite objection, rather he worried that the project might be "embarrassing" at some point.

Called Pardau. Told him we could not provide a letter or endorsement from the VP. He asked if the VP "could call EVERS". I said no. I could not recommend the VP be invovled in any way, not as a reflection on the people or the project, but because it was a commercial venture, an international venture involving exptremly sensitive parties and was not fully understood by our reviewing parties.

Pardau, naturally, very disappointed.

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.	
03b. Note	From: Natalie To: Terry Mattke RE: Wyoming Coal Mine Sale to Taiwan (1 pp.)	02/12/87	P/5		
	OPEN ON END OF PRA RESTRICTIONS [DOCUMENT FOLLOWS]				
COLLECTION Rush Vice	Presidential Records				
	ecurity Affairs	Dee	6/17/02		
FILE LOCATIO	N				
Taiwan - 1987		OA/ID Number 19836			
		Date Closed	4/6/2002		

RESTRICTION CODES

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F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

February 12, 1987 2:30 p.m.

NOTE TO TERRY MATTKE

Dave Brown on the Taiwan Desk at State called. He checked out your request with the Coal Section of Commerce and people in the Taiwan trade field to see if he could find out about the proposal. No one has ever heard of this deal and Commerce's Coal office is not aware of this proposal.

Mr. Brown said "we are not in a position to give him advice one way or the other. That is to say, we can't confirm that it would make good sense to make this deal. The Commerce Coal office said, 'Generally speaking, the Wyoming mines are high-cost producers and many have not been economical.' No great asset to sell. All the information we could provide on short notice."

Dave Brown can be reached at 647-7711 if you have any further questions.

Natalie

Congress of the United States House of Representatives

Washington, DC 20515

January 27, 1987

The Honorable Yu Kuo-hua President of the Executive Yuan Taipei, Taiwan, Republic of China

Dear Premier Yu:

As the three members of the United States Congress representing the state of Wyoming, we wish to express our support for the goals expressed in a proposal to sell a Wyoming coal mine to interests in the Republic of China.

While we do not purport to be experts on the proposal, we believe the sale of the Stansbury Coal Mine, near Rock Springs, Wyoming, would benefit both the Republic of China and Wyoming, which is a Sister State of Taiwan. It is a major opportunity to enhance an excellent working relationship between the state of Wyoming and the Republic of China.

The sale to interests in the Republic of China would benefit your country by offering tangible evidence that Taiwan is committed to take all possible steps to ease the economic impact of its large trade surplus with the United States. Assured access to over 100-million tons of high quality Wyoming coal will provide Taiwan with a long lasting, independent source of fossil fuel to meet its increasing energy requirements far into the future.

The sale would benefit Wyoming by creating new jobs and taxable coal production and by helping to create stronger ties between Wyoming's economy and markets for its products overseas. Wyoming has a very serious interest in its valued Sister State relationship with Taiwan.

We hereby express our strong belief that the successful sale of the mine would benefit the state we represent and the Republic of China, if the correct terms can be negotiated. We further express our appreciation for the interest that the Republic of China has demonstrated in Wyoming and the economy of the United States. We understand that the State of Wyoming has expressed its willingness to send a good will delegation to Taipei to discuss this project and other trade matters of mutual interest.

With sincere regards and respect,

alcolm Wallon

United States Senator

Al Simpson United States Senator

Dick Cheney

Member of Congress



TED L. HANKS

P.O. BOX 917, 11300 SOUTH 400 WEST, SALEM, UTAH 84653 (801) 423-2918

October 31, 1986

William D. Evers, Esq. Chickering & Gregory, P.C. Three Embarcadero Center Eighth Floor San Francisco, California 94111

Dear Bill:

Enclosed is pertinent background information on the Wyoming coal mining complex which is available for purchase.

My professional colleagues and I believe the materials present a thorough picture of what we view as the most attractive coal property we have seen in our collective half-century of geological and mining experience in general, and our work with western coals in particular. We have a wealth of additional data available, and we stand ready to provide on short notice any further information which may be desired, or to answer in detail any questions which may arise in your discussions with the interested party of Taiwan Republic of China.

The total purchase price of this high-quality, strategically located coal mine - which has an assessed value of \$30,000,000, and which was developed by Union Pacific Railroad and a joint venture partner at a cost of \$50,000,000 - is only \$14.5 million, a small fraction of the original investment. This unprecedented opportunity, which is made possible because of the temporarily depressed condition of the U.S. fossil fuel industry, includes the following elements:

- Reserves of 114,000,000 tons of premium quality, high-Btu, low-ash, low-sulfur coal.
- The following elaborate, practically-new surface facilities, with an assessed value of over \$20,000,000.
 - (a) Approximately 8 miles of new railroad spur, with direct access to the major east-west railroad artery to both coasts.

- (b) A unit-train loadout capable of handling 120 cars with a loading time of two to three hours.
- (c) A covered 13,000 ton capacity storage facility.
- (d) Complete conveyor systems from mine to surface.
- (e) All necessary building complexes.
- (f) Installed, readily serviceable utilities.
- (g) Operational fans, pumps and associated equipment.
- (h) Full land use and environmental permitting, which would require some 5 to 7 years to complete if the mine were developed from scratch.

Reactivation of the mine to a 25,000 ton per month production schedule would require approximately \$2 million. As markets are expanded, an additional \$10 million would enable annual production to be increased by long-wall mining methods to over 2 million tons per year at a cost of approximately \$12.50 per ton, and a selling price between \$25 to \$28 per ton. As one of the original mine owners and developers, Union Pacific Railroad can be expected to provide a preferred unit-train transportation rate for long-hauls to ocean transportation facilities and large coal users. A loyal and experienced local labor force will ensure stable and cost-effective production.

I would urge Taiwan Republic of China to give this extraordinary opportunity its most serious and earliest possible consideration. In addition to the documented value of the mine itself
as a sound business investment, purchase rather than contracting
for output would create a most beneficial balance of payments situation, and ownership of such large, high-quality, easily accessible
coal reserves would assure Taiwan Republic of China a strong position in the world energy marketplace. An independent measure of
the quality and worth of this project is the recent purchase of a
coal mine in the Price, Utah area for many times the sale price of
the Wyoming facility.

It also should be noted that purchase of the mining complex would enhance the already excellent working relationship which has been established between the State of Wyoming and Taiwan Republic of China.

As is understandable, a number of potential buyers have expressed great interest in the project, and a purchase agreement may be consummated in the near future. If, therefore, Taiwan

Republic of China indicates similar interest, I respectfully suggest the most expeditious possible action on its part. A 90-day option could be obtained for a \$100,000 down payment.

I look forward to hearing good news from you soon.

Cordially,

Ted L. Hanks

TLH/lap Enclosures



TED L. HANKS

P.O. BOX 917, 11300 SOUTH 400 WEST, SALEM, UTAH 84653 (801) 423-2918

DETERMINED TO BE AN ADMINISTRATIVE MARKING, PER EXCIPTION SEC. 3.3 (C)

September 4, 1986

WYOMING COAL PROJECT

OVERVIEW

This unique coal project is so strategically located and is comprised of so many favorable features as to be precluded from the general classification of coal mines as they pertain to today's unfavorable economic circumstances.

In 1974 a joint-venture agreement was signed between Ideal Basic Industries and Rocky Mountain Energy Co. (Union Pacific) for the development of a large block of coal reserves remaining on the west flank of the Rock Springs Uplift, north of Rock Springs, Wyoming. The mine was opened in 1976 and operated on a limited basis until 1981 when the operation ceased and the joint-venture was dissolved.

During this period the joint-venture invested approximately \$50M in the mine and surface facilities. (See accompanying photos.) The advantages of this large capital expenditure is now easily accessible to an investor/operator at a small fraction of the original cost, along with the large tonnage on the fee lands and the accompaning federal lease which is included with this acquisition. This coupled with the strategic location of the mine and its large reserves of premium tonnage for almost an exclusive sales area into the northwest (Idaho, northern Nevada, Oregon and Washington) makes this project uniquely favorable.

With the closure of the mine all equipment and material not essential for the preservation of the mine were liquidated and the mine was put on a standby basis with full-time watchmen. The utilities are all in place and the mine pumps are periodically operated to keep the mine workings free of excessive water. All the necessary permitting is in place and up to date.

The entire surface facilities which is serviced with a new 7 to 8 mile railroad spur, and the transfer of the federal lease are available for acquisition and/or development. It has been estimated that it would take approximately \$2m to reactivate the property, depending upon the type of equipment and the rate of reactivation. The property has an assessed value of at least \$30M, reserves of 114,000,000 tons, and a mine which can service a large exclusive area with the closest and highest quality coal available.

LOCATION AND ACREAGE

The subject area is located approximately seven miles due north of Rock Springs, Wyoming. The main mine entry and surface facilities are situated in the NW1/4 of Section 19, T20N, R104W.

The total tract involves about 3,840 acres in eight sections. Of this there are 2,560 acres of railroad fee land and 1,280 acres which are U.S.A. fee held under Federal Coal Lease No. W-12793 which will come up for renewal on June 1, 1990.

HISTORY

The old mine workings adjacent to the outcrops were operated by the Union Pacific Coal Company from 1942 to 1957 with an annual production of one million tons. It was this earlier production which was the last of Union Pacific's mines to close when the railroad converted from coal to diesel-powered locomotives.

The subject area was then reopened in 1976 under a joint-venture agreement with Ideal Basic Industries who acted as operator. However, between 1976 and early 1981 production and operating cost never achieved satisfactory levels because of gross mining errors by the operator. As a result the agreement was dissolved and the mine went on standby.

All the permitting is in place, as are the utilities, plus the mine is in excellent condition. Given these conditions it is anticipated the mine can be in production within about 90 days with mining operation in the 7 and 7.5 Seams. No extraction is planned from the No. 3 Seam which contributed to the mine's closure before it was ever really put into production.

INVENTORY

Acquistion of the project includes the following:

- A unit-train loadout capable of handling about 120 cars with a loading time of two to three hours; the 7-mile long railroad spur.
- A covered 13,000 ton capacity storage facility.
- Complete conveyer systems from the mine to surface facilities.
- Building complexes of change rooms, offices, warehouse, and utilities. Buildings heated by coal boilers.
- All utilities in and immediately serviceable.
- Operational fans and pumps, and assorted pieces of equipment.

In my estimation all of the above have a value in excess of \$20M.

In addition the railroad will transfer the Federal coal lease with a total tonnage for the entire tract of 114,000,000 in-place tons. This would amount to about 68,000,000 recoverable tons by conventional means and 97,000,000 with a long-wall system.

Using 50,000,000 recoverable tons and a conservative estimate of 20¢ per ton, there reserves would have a value of \$10,000,000, or when included with the surface facilities a total value of \$30,000,000. It is emphasized that these estimates are extremely conservative. If taken at replacement value for the surface and mining facilities, and the reserves assessed during a more favorable period, this total figure could easily be much greater.

(When mined the U. S. Government receives 17 1/2¢ per ton as a royalty from the federal lease. The railroad's 8% of the selling price for coal extracted from their fee lands has recently been negotiated at \$1 per ton for all coal handled through the facility until June 1, 1990, thereafter it will revert to the 8% of the selling price for all coal coming from the RR lands.)

All the equipment is practically new, fully operational except for a relocation of the belt lines, and is capable of handling up to 1.2m ton per year.

CAPITAL REQUIREMENTS

To reactivate this mine on a production schedule of about 25,000 tons per month, and operate it at this level until the markets can be expanded will require approximately \$2m. Mining costs are estimated to be \$12.50 per ton when the annual production is a million tons a year or better; the selling price is anticipated to be in the \$24 to \$25 range, and \$28 to \$35 is some select domestic and local industrial markets.

These capital requirements will vary considerably, depending on the equipment employed and its source. For example we have already approached a supplier who has volunteered to make available to us about \$1.2m in credit for new equipment. But there is a large amount of good used machinery still available and in the final plans this approach will have to be weighed against the accessibility and cost of venture capital.

OPERATIONAL BUDGETS

Due to the recent availability of the project, all the costs of equipment and materials have not yet been assembled and evaluated. These are being drawn together as quickly as possible for presentation to the investor and incorporation into the master plan required by the seller.

ADDITIONAL CONSIDERATIONS

Although the mine and surface facilities are designed for an annual production of 1.2 million tons, the No. 5 seam on top is 10 feet thick and has never been opened up. This could be developed in conjuction with the existing operation and thereby greatly enlarge the capacity of the complex. Also, there are some untouched stripping reserves which could be processed through these facilities. With these other sources it is possible to process at this site over 2,000,000 tons per year.

COAL BEDS & RESERVES

In descending order the subject area contains the following seventeen (17) designated coal beds:

Coal Bed Designations	Measured/Indicated In-Place Tons
Upper 5 Seam ¹ Lower 5 Seam	
3 Seam ²	
Upper 1 Seam Lower 1 Seam	
Upper 7.5 Seam Middle 7.5 Seam ³ (Merged 7.5 Seam) ³	39,000,000
7 Seam ⁴	30,000,000
8 Seam ⁵	45,000,000
9 Seam ⁶ 11 Seam 13 Seam 15 Seam 17 Seam 19 Seam 21 Seam 23 Seam	114,000,000 In-Place Tons (Mining Thicknesses 6-13 Feet)

- 1 The number 5 Seams crops out west of the surface facilities and have not yet been opened to mining.
- 2 This is the bed which was opened by the joint-venture and caused so much trouble because of poor roof conditions. At a later date these reserves could be considered for extraction with a modified mining plan.
- 3 Reserves in this seam are ready for production and would be included in in the initial extractions with the reactivation plans.
- 4 Initial production along with Seam 7.5.
- 5 Future reserves for expanded production.
- 6 No reserves below Seam 8 are considered for extraction within the foreseeable future.

Note: Most of these reserves are projected a half mile or less from the data source which in most cases is either a drill hole or underground workings.

ANALYSES

The coal ranks as a Subbituminous A with extremely low ash and low sulfur. Shown below is an in-place quality summary:

		erage As-	Received	Overall Av	erages
<u>Item</u>	87.5	#7	- 88	As Received	Air Dried
Btu/lb K. Cal/kg Total Sulfur Ash Hoisture Volatile Matter (%) Fixed Carbon (%) Fuel Ratio (FC/VM) Carbon (%) Hydrogen (%) Nitrogen (%) Chlorine (%) Oxygen Air Dry Loss	10,990 6,110 0.64 4.30 13.39 34.91 47.40 1.36 62.77 4.44 1.34 0.00 12.59	11,000 6,120 0.71 2.40 15.42 35.39 46.79 1.32 62.58 4.31 1.41 0.02 12.68	11,560 6,430 0.69 2.60 13.39 35.97 48.04 1.34 62.53 4.35 1.22 0.02 12.16	11.284 6.277 0.68 2.97 13.89 35.57 47.58 1.34 62.60 4.36 1.30 0.02 12.39	12,686 7.040 0.76 3.33 3.42 39.81 53.36 1.34 70.02 4.90 1.46 0.02 13.90
Ash Minerals (%)					
Silica(SiO ₂) Alumina(Al ₂ O ₃) Iron(Fe ₂ O ₃) Lime(CaO) Titania(TiO ₂) Magnesia(MgO) Sulfur(SO ₃) Phosphorus(P ₂ O ₃) Sodium(Na ₂ O) Potassium(K ₂ O) Undetermined Base/Acid Ratio Ash Fusion (°P)* Reducing Initial Deformation Softening Hemispherical Fluid	39.05 21.05 8.52 14.31 0.52 2.21 10.74 0.65 0.31 0.43 2.21 0.43	40.66 19.45 10.32 12.34 0.90 2.72 9.58 0.61 0.40 1.00 2.02 0.49	35.02 14.31 10.33 20.82 0.50 2.02 13.89 0.48 0.34 1.15 1.14 0.77	37.38 17.20 9.89 17.17 0.60 2.24 12.07 0.55 0.34 0.94 1.62 0.62 2150 2190 2223 2285	
Oxidizing Initial Deformation Softening Hemispherical Fluid T 250 (°F) Forms of Sulfur (%)	2260 2360 2392 2528 2378	2245 2314 2350 2426 2488	2144 2155 2170 2270 2380	2197 2244 2268 2371 2406	
Pyritic Sulfate Organic Total Sulfur	0.21 0.00 0.39 0.60	0.19 0.00 0.55 0.74	0.24 0.00 0.65 0.89	0.22 0.00 0.56 0.78	
Water Soluble Alkalies (,		
Potash(K,O)	0.001	0.006	0.001	0.002	
Sodium(Na, 0) Equilibrium Moisture(%) Hardgrove Grindability* Moisture (%)	0.003 9.52 50.89 13.23	0.010 14.43 49.65 13.13	0.003 12.70 47.90 11.55	0.005 12.35 49.05 12.34	

^{*}Note: Values are based on weighted averages. Actual test on blended -un-of-mine coal would be required to obtain accurate values.

CONCLUSIONS

This mine with its large reserves of high Btu, low ash and 0.7 sulfur coal, is situated on a main east—west railroad artery, and is the best and closest reserves to the northwestern states. With reserves and elaborate surface facilities capable of being reactivated within about 90 days and with a capacity of eventually producing 1.2M tons per year this project represents the most attractive venture I've seen in over 30 years of working with western coals. And although we are currently experiencing a down market in the basic energy fuels, I believe that if this mine were acquired and made to operate at a reduced scale of about 300,000 tons per year until the exclusive markets available to it have been developed that within a short period of time its conservative value of \$30M can be readily restored.

Furthermore, it is a project which has never been marketed. And for its full potential to be realized, the acquisition and development have to be initiated within the next few weeks in order to take advantage of the markets which have been opened, and to realize the conditions in the contractual terms.

We have already initiated some of these sales inquires and pursued them as far as they can be taken without giving fixed delivery dates and tonnage availability.

In addition to the existing mine, there are other untouched reserves easily available to the processing facilities from the No. 5 Seam, plus undeveloped strip reserves which means the loadout system could handle up to 3 million tons per year totally from the three areas.

It is my recommendation that the mine be purchased outright or through the 5-year payment plan proposed by the railroad, that it be placed into production as soon as is practical, and that when the acquisition has been consumated efforts be concentrated toward obtaining a long-term utility contract for sales to the larger industrial users in proximity to the project.

Ted L. Hanks

White House Staff and Office Files - National Security Affairs Folder Title - Taiwan Letter from President Lee Teng-hui to George Bush, Re: Election victory



統總國民華中

PRESIDENT OF THE REPUBLIC OF CHINA TRANSLATION

November 9, 1988

The Honorable George Bush President Elect The White House Washington, D.C. 20050 U. S. A.

Dear Vice President Bush:

On this auspicious occasion of your election to the Presidency of the United States of America, Mrs. Lee joins me in extending to you and Mrs. Bush our heartiest congratulations.

Your being elected to the highest public office in the United States is a true recognition by the American people of the loyal and outstanding service you have rendered in decades to the public as well as a shining testimony to your unrivaled standing in the nation.

As we have in recent years witnessed the world becoming more secure and economically more prosperous, I am confident that under your determined and brilliant leadership this trend will continue to move forward and the cause of freedom and justice in the world will be better safeguarded and further advanced in the years ahead.

We are profoundly appreciative of your long-standing support and firm commitment to the peace of the Western Pacific region in general and to the well-being and security of my people in particular. I would like to assure you that we will continue to play a positive role in helping the cause of the free world to which you are so admirably to lend your strong and outstanding leadership.

Again with our best wishes for you and Mrs. Bush of good health and continued success in your new and most important office.

Yours sincerely,

/s/ Lee Teng-hui

White House Staff and Office Files - National Security Affairs Folder Title - Taiwan-1988

Re: Talking points for meeting with Ding Mou-Shih Cable, Re: Death of President Ching-Kuo

Withdrawal/Redaction Sheet (George Bush Library)

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION	CLASS.
01. Memo	From David Laux (AIT) to Don Gregg RE: Talking points for meeting with Ding Mou-Shih [SENT FOR AGENCY REFERRAL] (2 pp.)	10/07/88	P-1, F-1	
	Presidential Records			
FILE LOCATIO	N			
Taiwan 19	88	OA/ID Num		
		Date Closed	08/22/2002	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information |(a)(1) of the PRA|

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]

P-3 Release would violate a Federal statute [(a)(3) of the PRA]

P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]

P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [a)(5) of the PRA]

P-6 Release would constitute a clearly unwarranted invasion of personal privacy |(a)(6) of the PRA|

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Closed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

F-1 National security classified information [(b)(1) of the FOIA]

F-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

F-3 Release would violate a Federal statute |(b)(3) of the FOIA|

F-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

F-9 Release would disclose geological or geophysical information concerning wells |(b)(9) of the FOIA|

Department of State

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FROM AIT WASHDC

PA-01

E.O. 12356: N/A
TAGS: PREL, TW, US, OVIP, OTRA
SUBJECT: DEATH OF TAIWAN PRESIDENT CHIANG CHING-KUO:
CONDOLENCE MESSAGE

- 1. THE OFFICE OF THE VICE PRESIDENT HAS APPROVED THE FOLLOWING CONDOLENCE MESSAGE TO BE DELIVERED ON BEHALF OF VICE PRESIDENT BUSH BY THE ACTING DIRECTOR OF THE TAIPEI OFFICE OF AIT AT THE APPROPRIATE TIME. THE WHITE HOUSE DOES NOT PLAN TO RELEASE THE TEXT IN WASHINGTON BUT HAS NO OBJECTION TO RELEASE BY THE TAIWAN AUTHORITIES.
- 2. TEXT OF LETTER OF CONDOLENCE FROM VICE PRESIDENT AND MRS. BUSH: DEAR MRS. CHIANG: BARBARA AND I ARE TRULY SADDENED TO LEARN OF THE DEATH OF YOUR HUSBAND. WE GREATLY ADMIRED PRESIDENT CHIANG FOR HIS WISE AND FARSIGHTED LEADERSHIP AND HIS DEVOTION TO HIS PEOPLE. AMERICANS VALUE THE FRIENDSHIP BETWEEN THE PEOPLE OF TAIWAN AND THE UNITED STATES, AND WE WILL NOT FORGET ALL PRESIDENT CHIANG DID TO PROMOTE THAT CLOSE RELATIONSHIP. DURING THIS TIME OF GREAT SORROW, PLEASE ACCEPT OUR SINCERE CONDOLENCES AT YOUR LOSS. SINCERELY, GEORGE BUSH END TEXT. SIGNED LAUX. SHULTZ